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MING PAO ENTERPRISE CORPORATION LIMITED

(incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTIONS

Material dilution in a major subsidiary relating to the merger of the HK Magazines and the Media2U Group

Financial Adviser to Ming Pao Enterprise Corporation Limited



G.K. Goh Securities (H.K.) Limited

The Board is pleased to announce that on 9 March 2004, the Company and its indirect wholly owned subsidiaries have entered into the following agreements:

The Subscription Agreement

Winmax has agreed to allot and issue to Redgate the Winmax Subscription Shares, representing approximately 66.7% of the existing issued share capital of Winmax and 40.0% of the issued share capital of Winmax as enlarged by the Subscription, in consideration of the payment by Redgate of a cash amount of HK\$8,921,000 and the transfer by Redgate to Winmax or its nominee of the entire issued share capital of Media2U.

The basis of determining the consideration payable for the Subscription has been arrived at after arm's length commercial negotiations between the parties taking into consideration the business and earnings prospects of the Winmax Group and the Media2U Group, particularly the pro forma combined net profit of the Winmax Group for the year ended 31 March 2003 and the Media2U Targeted Pre-tax Profits. The Directors consider that the consideration for the Subscription is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

As at the date of this announcement, Winmax is an indirect wholly owned subsidiary of the Company and is the intermediate holding company of those subsidiaries, which operate the HK Magazines. Upon Completion, Winmax will become an indirect 60.0% non-wholly owned subsidiary of the Company with Redgate holding the remaining 40.0% interest in Winmax.

The Media2U Profit Target Agreement

Pursuant to the Media2U Profit Target Agreement, Redgate has agreed with Starsome that if the Media2U Targeted Pre-tax Profits cannot be achieved, Redgate will pay to Starsome a pre-determined cash amount or, at the discretion of Redgate and in lieu of payment of such cash amount, reduce its shareholding in Winmax by transferring relevant Winmax Subscription Shares to Starsome in accordance with an agreed schedule.

The Winmax Option Agreement

Starsome, an indirect wholly owned subsidiary of the Company, has granted to Redgate the Winmax Call Option, entitling Redgate the right exercisable on one occasion within the Winmax Option Period require Starsome to sell all or part of the Winmax Option Shares, representing 7.87% of the issued share capital of Winmax as at the date of completion of such transfer of the Winmax Option Shares, to Redgate at the Winmax Call Price. The Winmax Call Option can only be exercised if the shares of Listco are listed and commence trading on the Stock Exchange or a recognised stock exchange.

The Shareholders' Agreement

Starsome, Redgate and Winmax have entered into the Shareholders' Agreement to take effect upon Completion, which sets out their rights, obligations and responsibilities in Winmax.

Media2U Group is principally engaged in the advertising and publishing businesses with respect to Chinese language magazines in the PRC. As at the date of this announcement, the principal assets of the Media2U Group are the exclusive publication rights of Chinese language magazines in the PRC.

Richtop 1st Option Agreement

Winmax has granted to VLI at a nominal consideration of HK\$1.00, the Richtop 1st Call Option as arranger's fees for arranging Winmax to enter into the Subscription Agreement. The Richtop 1st Call Option entitles VLI within the Richtop Option Period to require Winmax to transfer to VLI and/or its nominees such number of the Richtop Option Shares as constituting 1% of the issued share capital of Richtop as at the date of completion of such transfer of shares in Richtop. The subscription price for each of the Richtop Option Shares to be issued under the Richtop 1st Call Option shall be equal to the par value of such Richtop Option Shares.

Richtop 2nd Option Agreement

Winmax has granted to AMC at a nominal consideration of HK\$1.00, the Richtop 2nd Call Option as arranger's fees for arranging Winmax to enter into the Subscription Agreement. The Richtop 2nd Call Option entitles AMC within the Richtop Option Period to require Winmax to transfer to AMC and/or its nominees such number of the Richtop Option Shares as constituting 0.5% of the issued share capital of Richtop as at the date of completion of such transfer of shares in Richtop. The subscription price for each of the Richtop Option Shares to be issued under the Richtop 2nd Call Option shall be equal to the par value of the Richtop Option Shares.

Proposed Spin-off

The Board is pleased to announce that it is considering a possible spin-off of Listco and the listing of its securities on the Stock Exchange or a recognised stock exchange. However, no final decision has yet been made as to whether or not the Proposed Spin-off will be effected and the timing thereof. **There can be no assurance that the Proposed Spin-off will proceed.** Further announcement will be made in relation to the Proposed Spin-off if and when appropriate.

Any listing of the shares of Listco pursuant to the Proposed Spin-off are subject to, among other things, the state of the equity markets, the approvals of the relevant regulatory authorities, and the final decision of the Board and the Shareholders. Shareholders and prospective investors of the Company are reminded to exercise caution when dealing in the Shares.

General

As at the date of this announcement, Redgate Media Inc., Redgate and their shareholders and their respective associates are independent third parties not connected to the Company, the directors, chief executive officer, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. The Subscription Agreement constitutes a discloseable transaction of the Company under the Listing Rules. Pursuant to paragraph 5 of Practice Note 13 of the Listing Rules, Winmax is a major subsidiary of the Company and the Subscription constitutes a material dilution in Winmax, which requires the consent of Shareholders in a general meeting. A SGM will be convened to approve the Subscription Agreement and the transactions contemplated thereunder (including the Winmax Option Agreement and the Media2U Profit Target Agreement). Conch, the controlling Shareholder interested in approximately 63.54% in the issued share capital of the Company, has indicated to the Company to vote in favour of the resolution to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder.

G.K. Goh Securities (H.K.) Limited has been appointed as the financial adviser to the Company. A circular containing, among other things, further details of, inter alia, the Subscription Agreement, the Shareholders' Agreement and the notice of the SGM, will be dispatched to the Shareholders as soon as practicable.

Suspension and resumption of trading in the Shares

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 9 March 2004 pending the release of this announcement. Application has been made for trading in the Shares to resume from 9:30 a.m. on 15 March 2004.

THE SUBSCRIPTION AGREEMENT DATED 9 MARCH 2004

Subscriber:

Redgate

Redgate is a wholly owned subsidiary of Redgate Media Inc., the shareholding of which is as follows:

- approximately 25.14% by Mr. Peter Brack and his associates and approximately 13.06% by Mr. Robert William Hong-San Yung, both are the key management of the Redgate Group;
- approximately 13.06% by Ms. Julia Ying Zhu, an executive director of Redgate Media Inc.;
- approximately 9.67% by Mr. Lau Yat Fan, the ex-shareholder of Media2U (HK);
- approximately 14.89% by six individuals with shareholding percentage ranging from approximately 0.09% to 7.25%; and
- approximately 24.18% by a corporation registered in the United States.

All of Redgate Media Inc., Redgate and their respective shareholders are independent third parties not connected to the Company, the directors, chief executive officer, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. Furthermore, neither Redgate Media Inc., Redgate nor any of their respective shareholders or their respective associates hold any Share as at the date of this announcement.

Issuer:

Winmax

Guarantors:

- The Company
- Redgate Media Inc.

Shares to be subscribed, allotted and issued:

The Winmax Subscription Shares, representing approximately 66.7% of the existing issued share capital of Winmax and 40.0% of the enlarged issued share capital of Winmax

Consideration and payment terms:

The consideration for the Winmax Subscription Shares comprises:

- (i) the transfer of the entire issued share capital of Media2U by Redgate to Winmax or its nominee on the date of Completion; and
- (ii) the payment of a cash amount of HK\$8,921,000 by Redgate to Winmax within 21 days from the date of Completion.

The Subscription is in effect a disposal of 40.0% interest in Winmax in return for 60.0% interest in the entire issued share capital of Media2U and the cash amount of HK\$8,921,000. In terms of net asset value, 40.0% attributable interests in the pro forma net tangible asset value of the Winmax Group as at 29 February 2004 (of approximately HK\$697,000) amounts to approximately HK\$278,800 whilst 60.0% attributable interests in (i) the unaudited net deficit of the Media2U Group (of approximately HK\$418,000 as at 31 December 2003); and (ii) the cash amount of HK\$8,921,000, in aggregate amounts to approximately HK\$5.1 million. Thus the Company would record an unaudited profit of approximately HK\$4.8 million as a result of the deemed disposal of the 40.0% interest in Winmax and, the unaudited results will be recorded in the financial year ending 31 March 2005.

The basis of determining the consideration payable for the Subscription has been arrived at after arm's length commercial negotiations between the parties taking into consideration the business and earnings prospects of the Winmax Group and the Media2U Group, particularly the unaudited pro forma profit before taxation of the Winmax Group for the year ended 31 March 2003 of approximately HK\$24.3 million and the average Media2U Targeted Pre-tax Profits for each of the Target Years of approximately HK\$15.3 million. On this basis, the aggregate theoretical targeted pre-tax profits of the Enlarged Winmax Group would have amounted to approximately HK\$39.6 million (being the sum of HK\$24.3 million and HK\$15.3 million), whilst the shareholding ratio in Winmax as represented by the average Media2U Targeted Pre-tax Profits (HK\$15.3 million) would be approximately 40%, which, in principle, is equivalent to the shareholding percentage as represented by the Winmax Subscription Shares.

The Directors consider that the shareholding structure of Winmax upon Completion and the consideration for the Subscription is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Other terms:

Each of the Company and Redgate Media Inc. has agreed to guarantee the due performance by Winmax and Redgate of their respective obligations under the Subscription Agreement.

The maximum aggregate liability of each of Winmax and Redgate for all claims for breach of warranties under the Subscription Agreement shall not exceed the sum of HK\$9,000,000, which is principally equivalent to the cash portion of the consideration payable under the Subscription Agreement.

Conditions:

Completion of the Subscription Agreement is subject to the following conditions being fulfilled and remaining satisfied as at Completion (or waived by Winmax):

- (a) the audited consolidated balance sheet of Media2U (HK) as at 31 December 2003 and the audited consolidated profit and loss account of Media2U (HK) for the period between 1 April 2003 and 31 December 2003 being delivered by Redgate to Winmax;

- (b) a legal opinion being issued by a firm of PRC lawyers relating to the legality of the operations and businesses of the Media2U Group in a form to the reasonable satisfaction of Winmax;
- (c) all of the short term borrowings of Media2U Group in an aggregate amount of approximately HK\$4 million being either repaid in full and/or novated entirely to Redgate Media Inc.; and
- (d) the passing by the Shareholders at the SGM of an ordinary resolution approving, inter alia, the Subscription Agreement and the transactions contemplated thereunder (including the Winmax Option Agreement and the Media2U Profit Target Agreement).

Winmax may at its absolute discretion at any time waive in writing the conditions (save for condition (d) or any part thereof). In the event that the conditions shall not have been fulfilled or waived by 30 April 2004 (or such later date(s) as the parties may agree in writing), the Subscription Agreement shall lapse and be of no further effect and no party shall have any claim against any other parties under or in connection with the Subscription Agreement, save in respect of any antecedent breaches of the Subscription Agreement.

Completion:

Completion shall take place within two business days after the fulfillment and/or waiver of the aforesaid conditions.

THE WINMAX OPTION AGREEMENT DATED 9 MARCH 2004

Parties:

Starsome

Redgate

Winmax Call Option:

Starsome has granted to Redgate the Winmax Call Option, entitling Redgate the right exercisable on one occasion within the Winmax Option Period to require Starsome to sell all or part of the Winmax Option Shares, representing 7.87% of the issued share capital of Winmax as at the date of completion of such transfer of the Winmax Option Shares, to Redgate at the Winmax Call Price. The Company is considering the Proposed Spin-off whereby Listco will be a subsidiary of Winmax. The Winmax Call Price refers to the price per Winmax Option Share payable by Redgate to Starsome for the Winmax Option Shares which shall be equal to 95% of the average closing price of shares in Listco for the ten trading days immediately preceding the date on which the exercise notice is delivered to Starsome multiplied by the number of shares of Listco held by Winmax as at the date of completion of the transfer of shares pursuant to the exercise notice divided by the total number of issued shares of Winmax as at the said completion date (representing the value of each Winmax Share after the Proposed Spin-off).

The Winmax Call Option can only be exercised if the shares of Listco are listed and commence trading on the Stock Exchange or a recognised stock exchange and during the Winmax Option Period. The Winmax Option Period refers to the 12-month period commencing on the date on which the shares in Winmax can be transferred pursuant to the rules of the relevant stock exchange or any relevant underwriting agreement to which Listco is a party provided that, if the earliest date

occurs prior to 30 September 2006, then the commencement date of the Winmax Option Period shall be the date of completion of the Adjustment pursuant to the Media2U Profit Target Agreement described below.

The Winmax Call Option is an incentive for Redgate to expand the Media2U Group in the PRC market and the basis for the subject 7.87% interest in Winmax has been determined based on arm's length negotiations whilst ensuring that Starsome will have at least over 50% interest in Winmax. Based on Redgate's 40.0% interest in Winmax immediately after Completion, upon full exercise of the Winmax Call Option, Redgate's interest in Winmax will increase to approximately 47.87% (subject to the share offer structure of the Proposed Spin-off), whilst Starsome's interest in Winmax will adjust to approximately 52.13%. The Directors consider that the terms of the Winmax Option Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

The Winmax Option Agreement shall take effect upon Completion.

Notwithstanding the full exercise of the Winmax Call Option, subject to the share offer structure of the Proposed Spin-off, it is the intention of the Board to have Winmax continue to be an indirect non-wholly owned subsidiary of the Company.

THE MEDIA2U PROFIT TARGET AGREEMENT DATED 9 MARCH 2004

Parties:

Starsome
Redgate

The Adjustment:

As a condition of Winmax and Redgate agreeing to enter into the Subscription Agreement, Redgate has undertaken to Starsome that if the Media2U Targeted Pre-tax Profits (of HK\$30,592,000 for the Target Years, being the two financial years ending 31 March 2006) cannot be achieved, Redgate shall pay to Starsome a pre-determined cash amount or at the discretion of Redgate and in lieu of payment of such cash payment, reduce its shareholding in Winmax by transferring relevant Winmax Subscription Shares to Starsome in accordance with the following schedule:

Level of achievement of the Media2U Actual Pre-tax Profits as a percentage of the Media2U Targeted Pre-tax Profits	Cash amount (HK\$'000)	Redgate's shareholding in Winmax	Starsome's shareholding in Winmax
96% or above	—	40.000%	60,000
81% to 95%	11,472	38.075%	61,925
66% to 80%	45,888	32.299%	67,701
51% to 65%	80,304	26.524%	73,476
36% to 50%	114,720	20.748%	79,252
below 35%	149,136	14.973%	85,027

The terms of the Adjustment under the Media2U Profit Target Agreement were determined with reference to the implied attributable market value of Winmax (in terms of its profit contribution to the Group) as compared to the prevailing market capitalisation of the Group. The Directors consider that the entering into of the Media2U Profit Target Agreement is in the interests of the Company and the Shareholders as a whole and that the terms thereof are fair and reasonable so far

as the Company and the Shareholders are concerned. For illustration purposes, based on the pro forma pre-tax profits of the Winmax Group for the year ended 31 March 2003 of approximately HK\$24.3 million, the Group's existing pre-tax profit for the same year of approximately HK\$43.8 million, and the existing market capitalization of the Group of approximately HK\$1,066 million, the implied market value of Winmax would amount to approximately HK\$591 million. Assuming the Media2U Actual Pre-tax Profits only accounts for 90% of the Media2U Targeted Pre-tax Profits for the Target Years, Redgate's shareholding in Winmax may reduce by 1.925% (40.0%–38.075% as noted from the table above). Thus based on the implied market value of Winmax as derived from the prevailing market capitalization of the Group, the value of this 1.925% would have equivalence to approximately HK\$11.4 million.

In the event that the Media2U Actual Pre-tax Profits as shown in Media2U's audited financial statements for the Target Years shall be equal to or in excess of 96% of the Media2U Targeted Pre-tax Profits (of HK\$30,592,000) then no adjustment shall be made. The Media2U Actual Pre-tax Profits will be finalised upon completion of auditing the results of the Media2U Group financial year ending 31 March 2006, which is expected to be not more than three months after the year end date as required by the Listing Rules. The Media2U Targeted Pre-tax Profits have been principally determined by the management of Media2U based on the estimated advertising revenues to be generated from the licensed magazine titles as well as the estimated cost structure of Media2U.

Moreover, if and to the extent that the business of the Media2U Group is affected by any event of Force Majeure during the Target Years, then the requirement of Media2U to achieve the Media2U Targeted Pre-tax Profits shall be extended for such period as the Force Majeure shall subsist.

The sole purpose of having the Media2U Targeted Pre-tax Profits is to minimise uncertainty for the Company in terms of determining the shareholding percentage of the Subscription. For the avoidance of doubt, the Media2U Targeted Pre-tax Profits is not a profit forecast in any form.

Further announcement will be made by the Company if the Media2U Targeted Pre-tax Profits cannot be achieved.

THE SHAREHOLDERS' AGREEMENT DATED 9 MARCH 2004

- Parties : Winmax
- : Starsome, the immediate holding company of Winmax and an indirect wholly-owned subsidiary of the Company
- : Redgate
- Board of directors : The maximum number of directors holding office on the board of Winmax at any time shall be five unless otherwise agreed by each of the shareholders of Winmax in writing.
- Starsome shall have the right to appoint up to three directors and Redgate may appoint up to two directors to the board of Winmax. The Chairman and the Deputy Chairman of Winmax (both will initially be appointed by Starsome) shall have no casting vote.

- Scope of business : The sole business of Winmax and its subsidiaries shall be the publication, distribution, operation of advertising rights and licensing of intellectual property rights in respect of licensed or self-created Chinese language magazines.
- Funding : Shareholders of Winmax agree that future additional working capital requirements of Winmax and its subsidiaries will be met by internal resources and/or through the use of credit.
- Restrictions on transfer, rights of first refusal and rights of co-sale : No transfer of the legal and beneficial ownership of any of the Winmax Shares (other than pursuant to the Media2U Profit Target Agreement and/or the Winmax Option Agreement) can be effected by the shareholders of Winmax for a period of 30 months from the date of the Shareholders' Agreement. Redgate, however, shall be permitted to dispose of up to 14.973% of the issued share capital of Winmax at the prevailing time in the period between the commencement date of the Winmax Option Period and the expiry of the said 30-month period.
- Each shareholder of Winmax will have a right of first refusal over the Winmax Shares held by the other shareholder.
- If a shareholder of Winmax receives an offer for purchase of its Winmax Shares from a third party, the other shareholder of Winmax shall have, in addition to the right of refusal over such Winmax Shares, a right of co-sale to the third party.
- Non-competition : Each of Starsome and Redgate agrees that it shall not do and shall procure that none of the respective member of the Group and of the Redgate Group shall at any time during the continuance of the Shareholders' Agreement and for a period of one year after any termination of the Shareholders' Agreement, without first obtaining the written consent of the other party to directly or indirectly carry on (whether alone or in partnership or joint venture with anyone else) or otherwise be concerned with or interested in any business competitive with the business of any member of the Enlarged Winmax Group in any countries where such member of the Enlarged Winmax Group carries on business provided that:
- (i) the Group shall be entitled to continue to publish and distribute those magazines which are currently published and distributed by the Group including, without limitation *Ming Pao Monthly* and *Yazhou Zhoukan*, and other new magazines which are converted from publications currently distributed in conjunction with newspapers; and

- (ii) Starsome and the Group or Redgate and the Redgate Group, as the case may be, may hold shares up to 5% in the issued share capital of a listed public company which carries on business similar to or in competition with that of the Enlarged Winmax Group (such restrictions shall not apply to the shareholders of Redgate Media Inc. as well as directors of any member of the Redgate Group).

Shareholders of Winmax agree that during the term of the Shareholders' Agreement, in respect of any opportunity that either of them or any of its holding companies, subsidiaries and fellow subsidiaries of such holding companies shall have in respect of any business competing with the business of Winmax then such new business shall first be offered to Winmax for consideration.

Save for the Media2U Group, the beneficial owners of Redgate Media Inc., Redgate or their respective associates do not have any other business or interests that competes with those of the Winmax Group or the Group.

Termination : When an event of default occurs whereby Starsome is the defaulting party, Starsome will acquire from Redgate all the Winmax Shares held or beneficially owned by Redgate at a price to be determined by reference to the fair value of the Media2U Group. However, if the defaulting party is Redgate, Redgate will sell to Starsome all Winmax Shares held or beneficially owned by Redgate at a price representing 75% of the fair value of the Media2U Group.

The fair value shall be determined by the auditors of Winmax or by an independent investment bank of international repute selected by Winmax if the auditors will not act.

Effective date : The Shareholders' Agreement shall take effect upon Completion.

RICHTOP 1ST OPTION AGREEMENT DATED 9 MARCH 2004

Parties:

Winmax

VLI, VLI and its beneficial owner are independent third parties not connected to the Company, the directors, chief executive officer, substantial shareholders of the Company, or any of its subsidiaries or any of their respective associates. VLI and its beneficial owner are not connected to AMC or its beneficial owner.

Richtop 1st Call Option:

Winmax has granted to VLI, for a nominal consideration of HK\$1.00, the Richtop 1st Call Option as arranger's fees for structuring and negotiating, on Winmax's behalf, with Redgate as to the terms and conditions of the Subscription Agreement. The Richtop 1st Call Option can be exercised

on one occasion during the Richtop Option Period entitling VLI to require Winmax to transfer to VLI and/or its nominees such number of the Richtop Option Shares as constituting 1% of the issued share capital of Richtop as at the date of completion of such transfer of shares in Richtop. The subscription price for each of the Richtop Option Shares to be issued under the Richtop 1st Call Option shall be equal to the par value of such Richtop Option Shares. The Richtop Option Period commences on the date of the Richtop 1st Option Agreement and ends on (i) the last day of the twenty four (24) calendar months thereof; or (ii) the second business day from the date of grant by the Stock Exchange or a recognised stock exchange of the approval in principle of a listing of shares in Listco, whichever is earlier.

The Richtop 1st Option Agreement is unconditional.

RICHTOP 2ND OPTION AGREEMENT DATED 9 MARCH 2004

Parties:

Winmax

AMC, AMC and its beneficial owner are independent third parties not connected to the Company, the directors, chief executive officer, substantial shareholders of the Company, or any of its subsidiaries or any of their respective associates. AMC and its beneficial owner are not connected to VLI or its beneficial owner.

Richtop 2nd Call Option:

Winmax has granted to AMC, for a nominal consideration of HK\$1.00, the Richtop 2nd Call Option as arranger's fees for introducing Winmax to Redgate Media Inc. to enter into the Subscription Agreement. The Richtop 2nd Call Option can be exercised on one occasion during the Richtop Option Period entitling AMC to require Winmax to transfer to AMC and/or its nominees such number of the Richtop Option Shares as constituting 0.5% of the issued share capital of Richtop as at the date of completion of such transfer of shares in Richtop. The subscription price for each of the Richtop Option Shares to be issued under the Richtop 2nd Call Option shall be equal to the par value of such Richtop Option Shares. The Richtop Option Period commences on the date of the Richtop 2nd Option Agreement and ends on (i) the last day of the twenty four (24) calendar months thereof; or (ii) the second business day from the date of grant by the Stock Exchange or a recognised stock exchange of the approval in principle of a listing of shares in Listco, whichever is earlier.

The Richtop 2nd Option Agreement is unconditional.

INFORMATION ON REDGATE GROUP AND MEDIA2U GROUP

Redgate Group

Prior to the entering into of the Subscription Agreement, all of the shareholders of Redgate Media Inc. and Redgate and their respective associates were independent third parties not connected to the Company, the directors, chief executive officer, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. Upon Completion, both Redgate Media Inc., Redgate and their respective associates will become connected persons of the Company by virtue of Redgate's 40.0% shareholding interest in Winmax.

Redgate Group is principally engaged in the business of investing (without pre-defined shareholding percentage target) in advertising and publishing companies in the PRC and providing capital and management expertise to them. Advertising companies refer to companies engage in a diverse array of media including, but not limited to, television, print, radio, and Internet. Key management of the Redgate Group are as follows:

Peter Brack, was a senior executive at Time Warner for 10 years. Mr. Brack's latest role at Time Warner was Senior Vice President of Time Inc. Asia (*TIME & Fortune* Magazines), where he was responsible for all Asia-Pacific operations for a business unit generating US\$85 million in annual revenues. Prior to this, Mr. Brack held positions as president of Asiaweek Magazine, and Vice President of Advertising Sales at Turner Broadcasting Asia Pacific (CNN, TCM, and Cartoon Network).

Robert William Hong-San Yung, was the founder and CEO of One Studio, a venture capital backed Chinese software development and consultancy business with operations in China, Japan, and the U.S. Previously, Mr. Yung founded OSMEDIA, an advertising-supported cable television business in Guangdong Province. Mr. Yung was also General Manager of Metromedia Asia, sourcing and executing wireless telecom acquisitions in China and Indonesia. Mr. Yung holds a Bachelor's Degree in Arts from the University of Chicago and a Master's Degree in Arts from New York University.

Media2U Group

Media2U (HK) was originally founded by Mr. Lau Yat Fan in Hong Kong in September 1994, an existing shareholder of Redgate Media Inc., holding approximately 9.67% therein, but is an independent third party not connected to the Company, the directors, chief executive officer, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. Following Redgate's acquisition of Media2U (HK) from Mr. Lau Yat Fan in October 2003, Media2U (HK) then became an indirect wholly owned subsidiary of Redgate. Upon the incorporation of Media2U in January 2004, Media2U became the immediate holding company of Media2U (HK), and a direct wholly owned subsidiary of Redgate. Prior to its acquisition by Redgate in October 2003, Media2U (HK) was principally dormant since its inception.

Media2U Group through Mr. Lau Yat Fan acquired from Times Mirror, a subsidiary of Time Inc., the license for *Popular Science* in March 2000. Additional licenses for *Digital Camera*, *T3*, and *Top Gear* were obtained by Media2U (HK) in January 2004. Media2U Group is a fast growing print media company concentrating on acquiring international magazine licenses and advertising businesses in China.

The turnover of the Media2U Group for the nine months ended 31 December 2003 was principally derived from the advertising sales and the licensing rights of *Popular Science*.

The board of directors of Media2U comprises Mr. Peter Brack and Mr. Robert William Hong-San Yung and has remained unchanged since its formation.

Media2U Group currently has the exclusive rights to sell all advertising space in the Chinese language publications that incorporate content from these four titles in the PRC. Media2U Group intends to use these titles as a base from which to expand its role as a leading advertising and publishing group focusing on lifestyle print media in China. Media2U Group includes subsidiaries and associates in the PRC, which are currently held through nominees, who are relatives of Ms. Julia Ying Zhu, a director and substantial shareholder of Redgate Media Inc, and from whom Media2U (HK) has an option to acquire the entire equity interest in these associates from such

nominees at a nominal value of RMB1, or such higher amount as required by the PRC laws, at such time as Media2U (HK) sees fits, and when and where it is permissible under the PRC laws. The subsidiaries of the Media2U Group are holders of the respective exclusive licenses granted by major overseas publishers on their international magazine titles in the Chinese language whilst the associates of the Media2U Group in the PRC are principally engaged in the advertising sales and publication of magazines.

At present, Media2U (HK) has been granted 4 exclusive licenses (one of which, *Popular Science*, is currently ultimately held by Mr. Lau Yat Fan and is in the process of being assigned to Media2U and, though completion of such assignment is not a condition precedent of the Subscription Agreement, it is expected that such assignment will be completed in May 2004) from major overseas publishers such as Time Warner, the BBC, and Future Networks to sub-license content and trademarks from their international magazines in the Chinese language in the PRC. Particulars of these international magazines for which Media2U is the exclusive advertising operator are as follows:

***Popular Science* — Launched in China in 1996:** Founded in 1872, *Popular Science* is the world's largest science and technology magazine with a circulation of 1.45 million subscribers and a readership of more than seven million people. A Time Warner publication, *Popular Science* was one of the first foreign magazines adapted for the China market, and is the most successful in its category. The Chinese version of *Popular Science* is published in conjunction with *Digital Camera*, with content licensed under the two relevant licenses entered into with overseas publishers appearing alternately in different issues of the Chinese publication.

***T3* — Tomorrow's Technology Today — Launched in China in January 2004:** *T3* offers the best-of-the-best in gadgets, personal electronics, computers, and home theatre and audio. "Tomorrow's Technology Today," from Future Networks in the UK, is a must-have guide for China's early adopters and technology-savvy consumers. *T3* is particularly popular among advertisers most desirable target market: urban professionals in China for whom the latest mobile telephone and personal electronic device are a necessity.

***Digital Camera* — Launched in China in January 2004** — With reviews, tutorials, and guides to the latest in the world of digital photography, including cameras, software, and techniques, *Digital Camera* helps novices and professionals alike get the most out of the next generation of photography. The first magazine in its category in mainland China, *Digital Camera* magazine is already popular among readers and advertisers in key cities across the country.

***Top Gear* — Launched in China in January 2004** — The U.K.'s most popular automotive magazine from BBC publishing. Based on the acclaimed television series of the same name, *Top Gear* covers the best of the automotive world. Packed with reviews, road tests, automotive news, and some of the best automotive photography, the BBC's flagship magazine puts you behind the wheel of some of the world's greatest automobiles.

As confirmed with the auditors of Media2U (HK), based on the existing nominees' arrangements, the results of the associates of the Media2U Group in the PRC can be consolidated into the results of the Media2U Group. The table below sets out the unaudited profit/(loss) before and after taxation for the Media2U Group for the year ended 31 March 2003 and the nine months ended 31 December 2003:

	For the year ended 31 March 2003 (HK\$'000)	For the nine months ended 31 December 2003 (HK\$'000)
Turnover	—	1,177
Other income (Note)	28	—
Profit/(loss) before taxation	28	(417)
Profit/(loss) after taxation	28	(418)

Note: Other income represented a waiver of a loan.

The unaudited net deficit of the Media2U Group as at 31 December 2003 amounted to approximately HK\$418,000.

INFORMATION ON THE GROUP (including Winmax)

The Group is principally engaged in the publication of Chinese language newspapers, magazines and books, as well as the provision of travel and travel related services. Through its various portals it also provides advertising, Internet content and travel related services.

The Group's magazine titles can be sub-divided into two separate groups comprising (i) the HK Magazines, which are customer-focused weekly magazine titles predominantly targeting the Hong Kong market and sold through the newsstands and via news agents; and (ii) the current affairs and education focused weekly and monthly magazine titles such as *Ming Pao Monthly* and *Yazhou Zhoukan* which target regional and global Chinese readers, are sold primarily through subscription.

In January 2004, the Group effected the HK Magazines Reorganisation whereby Winmax, through its wholly owned subsidiary, Richtop, became the indirect holding company of the principal operating subsidiaries of the Company which operate the HK Magazines. The principal business of the Winmax Group is the publication, distribution and advertising of the Chinese language magazines whose content is relatively apolitical in nature and is orientated towards the entertainment, fashion, consumer electronics and other domestic consumption sectors. Particulars of the HK Magazines are as follows:

Ming Pao Weekly

A three-part photo-journalist led weekly magazine covering HK based entertainment, lifestyle, fashion, beauty and listings targeting a female readership between the ages of 16 to 35. *Ming Pao Weekly* is one of the leading entertainment and lifestyle weekly magazines in Hong Kong with a history of over 35 years.

HI-TECH WEEKLY

A three-part technology and consumer gadgets magazine that offers the readers product reviews, price comparisons, technical guidance and user guide information. *HI-TECH WEEKLY* is one of the leading technology consumer magazines in Hong Kong.

City Children's Weekly

A children magazine with an educational flavour, also containing comic book and cartoon elements targeting 6 to 12 year olds students, their parents as well as teachers. *City Children's Weekly* has a high penetration rate in primary schools due to the brand name loyalty of Ming Pao.

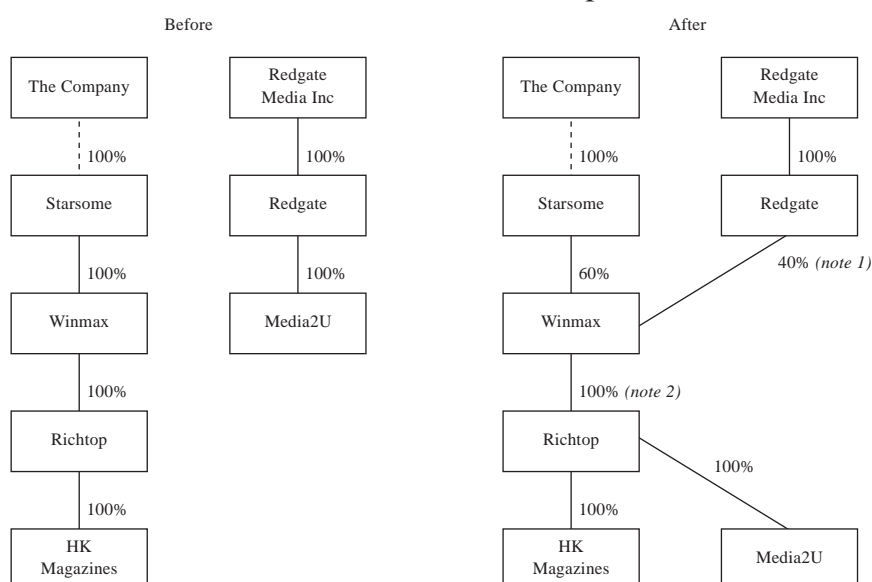
The table below sets out the unaudited pro forma combined profit before and after taxation of the Winmax Group for the two years ended 31 March 2002 and 31 March 2003 and the six months ended 30 September 2003. The unaudited pro forma financial information has been prepared based on the audited accounts of the principal operating subsidiaries, which operate the HK Magazines, for the two years ended 31 March 2002 and 31 March 2003 and the unaudited management accounts for the six months ended 30 September 2003, respectively, and as if the group structure of Winmax as shown below had been in existence throughout such periods:

	For the year ended 31 March 2002 (HK\$'000)	For the year ended 31 March 2003 (HK\$'000)	For the six months ended 30 September 2003 (HK\$'000)
Pro forma combined profit before taxation	12,807	24,315	2,776
Pro forma combined profit after taxation	11,065	20,600	1,731

As at 30 September 2003, the unaudited pro forma combined net tangible asset value of the Winmax Group amounted to approximately HK\$20.7 million. As a result of the HK Magazines Reorganisation which effected in January 2004 including the dividend payment by the Winmax Group to other members of the Group of approximately HK\$31.8 million, and taking into account the operating results of the Winmax Group during the period from 1 October 2003 to 29 February 2004, the unaudited pro forma combined net tangible asset value of the Winmax Group as at 29 February 2004 amounted to approximately HK\$697,000.

Shareholding structure

The shareholding structure of Winmax before and at Completion are as follows:



Notes:

1. Shareholding percentage is subject to the Adjustment and the Winmax Call Option
2. Shareholding percentage is subject to the exercise of the Richtop 1st Call Option and the Richtop 2nd Call Option

The Group will continue to consolidate the results of the Winmax Group following Completion.

REASONS FOR ENTERING INTO THE SUBSCRIPTION AGREEMENT

To poise for expansion and fortify competitive strengths, the Group has re-focused the HK Magazines operations' target demographic to a younger, urban mass market whereby content is less dependent on opinion, is relatively apolitical in nature, and is orientated towards the entertainment, fashion, consumer electronics and other domestic consumption sectors, which is in line with those magazines licensed by the Media2U Group.

The Board considers that with the Subscription and the formation of business alliance with the Redgate Group, the Group could achieve business synergies for the HK Magazines and other publications of the Group in, among other things, the extent of content supply and advertising clients' base. More importantly, the future strategy for the HK Magazines operations is to continue to develop its early mover status in the PRC together with the Media2U Group and the Redgate Group, where the consumer magazine sector is at a relatively early stage of development and experiencing significant growth. As stated in *BusinessWeek (10 November 2003 edition)*, the Board notes that the print media advertising revenue in the PRC was approximately US\$5.5 billion in 2002 and is growing at approximately 37% annually, surpassing PRC's already staggering economic growth. The media market is highly fragmented, providing a significant opportunity for a focused consolidator to emerge. Despite impressive growth in advertising expenditures, Chinese media companies and advertisers find that the current media buying landscape is chaotic and cost-inefficient. With tens of thousands of media choices, a company that can offer more efficient ways to place advertisements and exploit cross-media opportunities will create significant value.

In view of the fact that the Group has yet to establish its presence in the PRC, the Board considers that with the Subscription, the Group would gain invaluable experience from the Redgate Group in the PRC magazine and advertising industry including the advertising base, audience preferences and magazine networking and data base resources, all of which would add value to the Group's business endeavours in expanding the PRC magazine market in a more effective and efficient manner and with minimal capital commitments.

Following Completion, the future strategic direction of the Group will be to continue to develop and cross promote the HK Magazines through, inter alia, the networking and expertise of the Redgate Group into new and existing markets with significant Chinese communities. In addition, the Board will continue enhancing the profile of Winmax, with both the HK Magazines and Media2U Group's business for penetrating into the PRC magazine and advertising market.

As a result of the Subscription, the Company would record an unaudited gain of approximately HK\$4.8 million based on the latest management accounts of the Group. The gross proceeds of the Subscription will be used as general working capital of the Enlarged Winmax Group with no other specific usage.

With the aforesaid potential business synergies and strategic values to be gained from the Subscription, the Board considers that the Subscription would enhance the earnings base of the Group and enables the Group to be in an advantageous position in expanding the consumer magazines market in the PRC.

CONTINUING CONNECTED TRANSACTIONS

The Group and the Winmax Group have entered into and following the HK Magazines Reorganisation, will continue to enter into the continuing services transactions relating to the licensing of intellectual property rights and sharing of services by the Group to the Winmax Group for the operations of the HK Magazines, based on normal commercial terms.

Following Completion, Redgate Media Inc., and Redgate will become connected persons of the Company by virtue of Redgate's 40.0% interest in the issued share capital of Winmax, an indirect non-wholly owned subsidiary of the Company. Thus Winmax will become an associate of Redgate and Redgate Media Inc. and these continuing services transactions between the Group and the Winmax Group will constitute continuing connected transactions for the Company upon Completion.

Further announcement in respect of such continuing connected transactions will be made separately. The Company will apply to the Stock Exchange for waivers from strict compliance with the relevant requirements under the Listing Rules in respect of the continuing connected transactions.

SHAREHOLDERS' APPROVAL

The Subscription Agreement constitutes a discloseable transaction of the Company under the Listing Rules. Pursuant to paragraph 5 of Practice Note 13 of the Listing Rules, Winmax is a major subsidiary of the Company and the Subscription constitutes a material dilution in Winmax, which requires the consent of Shareholders in a general meeting. A SGM will be convened to approve the Subscription Agreement and the transactions contemplated thereunder (including the Winmax Option Agreement and the Media2U Profit Target Agreement). Conch, the controlling Shareholder interested in approximately 63.54% in the issued share capital of the Company, has indicated to the Company to vote in favour of the resolution to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder.

PROPOSED SPIN-OFF

The Board is pleased to announce that it is considering a possible spin-off of Listco and the listing of its securities on the Stock Exchange or a recognised stock exchange. However, no final decision has yet been made as to whether or not the Proposed Spin-off will be effected and the timing thereof. **There can be no assurance that the Proposed Spin-off will proceed.** Further announcement will be made in relation to the Proposed Spin-off if and when appropriate.

Any listing of the shares of Listco pursuant to the Proposed Spin-off are subject to, among other things, the state of the equity markets, the approvals of the relevant regulatory authorities, and the final decision of the Board and the Shareholders. Shareholders and the prospective investors of the Company are reminded to exercise caution when dealing in the Shares.

GENERAL

G.K. Goh Securities (H.K.) Limited has been appointed as the financial adviser to the Company. A circular containing, among other things, further details of, inter alia, the Subscription Agreement, the Shareholders' Agreement and the notice of the SGM will be despatched to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

Trading in Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 9 March 2004 pending the release of this announcement. Application has been made for trading in Shares to resume from 9:30 a.m. on 15 March 2004.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Adjustment”	the adjustment to be made either by way of cash payment or in lieu thereof a transfer of Winmax Shares as a result of difference between Media2U Actual Pre-tax Profits and Media2U Targeted Pre-tax Profits
“AMC”	Alpha Media Consultants Limited, a company incorporated in the British Virgin Islands, and is wholly owned by an independent third party not connected to the Company, the directors, chief executive officer, substantial shareholders of the Company, or any of its subsidiaries or any of their respective associates, and a party to the Richtop 2nd Option Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“business day”	a day (other than Saturday) on which licensed banks in Hong Kong are generally open for business
“Company”	Ming Pao Enterprise Corporation Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription Agreement
“Conch”	Conch Company Limited, a company incorporated in the British Virgin Islands, being the controlling Shareholder interested in approximately 63.54% in the issued share capital of the Company. Conch is owned as to 40.0% by Seaview Global Company Limited, a company jointly owned by two executive Directors, Tan Sri Datuk Tiong Hiew King and Dr. Tiong Ik King, and in addition, Tan Sri Datuk Tiong Hiew King and Dr. Tiong Ik King directly hold 25% and 22% of the interest in Conch respectively. The remaining 13% interest in Conch is held by five associates of these two executive Directors
“Directors”	the directors of the Company
“Enlarged Winmax Group”	Winmax Group and Media2U Group

“Force Majeure”	means any circumstances not foreseeable at the date of the Media2U Profit Target Agreement and not within the reasonable control of the party in question including, without prejudice to the generality of the foregoing, strikes, lockouts, shortages of labour or raw materials, civil commotion, riot, invasion, act of terror, war, fire, explosion, storm, flood, earthquake, subsidence, epidemic (including but not limited to avian influenza, SARS or other related diseases) and/or any other natural physical disaster
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Magazines”	Chinese language weekly magazines published by the Group in Hong Kong namely, <i>Ming Pao Weekly</i> , <i>HI-TECH WEEKLY</i> and <i>City Children’s Weekly</i>
“HK Magazines Reorganisation”	the group reorganisation effected by the Group which resulted in: <ul style="list-style-type: none"> — Richtop became the immediate holding company of the principal operating subsidiaries of the Group, which operate the HK Magazines; — Winmax became the immediate holding company of Richtop; and — declaration and payment of dividends by the Winmax Group to other members of the Group of approximately HK\$31.8 million
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listco”	a subsidiary of Winmax which will hold all the companies and assets of the Enlarged Winmax Group, the shares of which are proposed to be listed on the Stock Exchange or a recognised stock exchange under the Proposed Spin-off
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Media2U”	Media2U (BVI) Company Limited, a company incorporated in the British Virgin Islands on 2 January 2004, a direct subsidiary of Redgate and an indirect wholly owned subsidiary of Redgate Media Inc. as at the date of the Subscription Agreement
“Media2U Actual Pre-tax Profits”	the aggregate audited profit before taxation of the Media2U Group for the Target Years as shown on the audited financial statements of Media2U
“Media2U Group”	Media2U, its subsidiaries and associates in the PRC, which are held through nominees who are relatives of Ms. Julia Ying Zhu, a director and substantial shareholder of Redgate Media Inc. and from whom Media2U (HK) has the option to purchase the entire equity interest in the associates from such nominees at a nominal value of RMB1 or such higher amount as required by the PRC laws, at such time as Media2U (HK) sees fits, and when and where permissible under the PRC laws

“Media2U (HK)”	Media2U Company Limited, a company incorporated on 29 September 1994 in Hong Kong and a wholly owned subsidiary of Media2U
“Media2U Profit Target Agreement”	the agreement dated 9 March 2004 entered into between Redgate and Starsome relating to the Media2U Targeted Pre-tax Profits and the Adjustment
“Media2U Targeted Pre-tax Profits”	the aggregate targeted profit before taxation of Media2U Group for the Target Years of not less than HK\$30,592,000
“PRC”	the People’s Republic of China which for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Spin-off”	the proposed separate listing of the entire issued share capital and assets of the Enlarged Winmax Group
“recognised stock exchange”	as defined in the Listing Rules
“Redgate”	Redgate Media (HK) Limited, a company incorporated on 5 March 2003 in Hong Kong and a wholly owned subsidiary of Redgate Media Inc.
“Redgate Call Option”	a call option entitling Redgate to require Starsome to sell all or part of the Winmax Option Shares to Redgate at the Winmax Call Price at any time during the Winmax Option Period
“Redgate Group”	Redgate Media Inc. and its subsidiaries
“Redgate Media Inc.”	Redgate Media Inc, a company incorporated in January 2003 in the Cayman Islands, which is beneficially owned as to approximately 25.14% by Mr. Peter Brack and his associates and approximately 13.06% by Mr. Robert William Hong-San Yung, being the key management of the Redgate Group, whilst all the other shareholders are all independent third parties not connected to the Company, the directors, chief executive officer, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Richtop”	Richtop Resources Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of Winmax
“Richtop 1st Call Option”	the call option granted by Winmax to VLI entitling VLI to request Winmax to transfer to it 1% of the issued share capital of Richtop pursuant to the Richtop 1st Option Agreement
“Richtop 1st Option Agreement”	the agreement dated 9 March 2004 entered into between Winmax and VLI in relation to the granting by Winmax to VLI of the Richtop 1st Call Option

“Richtop 2nd Call Option”	the call option granted by Winmax to AMC entitling AMC the right to request Winmax to transfer to it 0.5% of the issued share capital of Richtop pursuant to the Richtop 2nd Option Agreement
“Richtop 2nd Option Agreement”	the agreement dated 9 March 2004 entered into between Winmax and AMC in relation to the granting by Winmax to AMC of the Richtop 2nd Call Option
“Richtop Option Period”	the period commencing on the date of the Richtop 1st Option Agreement and the Richtop 2nd Option Agreement and ending on (i) the last day of the twenty four (24) calendar months thereof; or (ii) the second business day from the date of grant by the Stock Exchange or a recognised stock exchange of the approval in principle of a listing of shares in Listco, whichever is earlier
“Richtop Option Shares”	such number of shares in Richtop as shall equal 1.5% of the total number of shares of Richtop in issue as at the date of completion of such transfer by Winmax under the Richtop 1st Option Agreement and the Richtop 2nd Option Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting to be convened by the Company to approve the Subscription Agreement and the transactions contemplated thereunder
“Share(s)”	shares of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 9 March 2004 entered into between Starsome, Redgate and Winmax relating to the rights and obligations of each of the shareholders of Winmax in Winmax
“Starsome”	Starsome Limited, a company incorporated in the British Virgin Islands with limited liability and the immediate holding company of Winmax and an indirect wholly owned subsidiary of the Company
“Subscription”	the subscription of Winmax Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 9 March 2004 (as amended by the supplemental agreement dated 11 March 2004) entered into between the Company, Winmax, Redgate and Redgate Media Inc. in relation to the Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Years”	being the two financial years commencing from 1 April 2004 till 31 March 2005; and from 1 April 2005 till 31 March 2006
“US\$”	United States dollars, the lawful currency of the United States

“VLI”	Venture Logic Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by an independent third party not connected to the Company, the directors, chief executive officer, substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates, and a party to the Richtop 1st Option Agreement
“Winmax”	Winmax Resources Limited, a company incorporated on 16 January 2004 in the British Virgin Islands and an indirect wholly owned subsidiary of the Company
“Winmax Call Option”	a call option entitling Redgate to require Starsome to sell all or part of the Winmax Option Shares to Redgate at the Winmax Call Price at any time during the Winmax Option Period
“Winmax Call Price”	the price per share payable by Redgate to Starsome for the Winmax Option Shares which shall be equal to 95% of the average closing price of shares in Listco for the ten trading days immediately preceding the date on which the exercise notice is delivered to Starsome multiplied by the number of shares of Listco held by Winmax as at the date of completion of the transfer of shares pursuant to the exercise notice divided by the total number of issued shares of Winmax as at the said completion date (representing the value per Winmax Share after the Proposed Spin-off)
“Winmax Group”	Winmax and its subsidiaries
“Winmax Option Agreement”	the agreement dated 9 March 2004 entered into between Starsome and Redgate in relation to the granting of the Winmax Call Option by Starsome to Redgate
“Winmax Option Period”	the 12-month period commencing on the date on which the shares in Winmax can be transferred pursuant to the rules of the relevant stock exchange or any relevant underwriting agreement to which Listco is a party provided that if the earliest date occurs prior to 30 September 2006, then the commencement date of the Winmax Option Period shall be the date of completion of the Adjustment
“Winmax Option Shares”	such number of Winmax Shares as shall equal 7.87% of the total number of issued Winmax Shares as at the date of completion of the transfer of the Winmax Option Shares
“Winmax Shares”	shares of US\$0.01 each in the issued share capital of Winmax
“Winmax Subscription Shares”	40,000 new Winmax Shares to be issued to Redgate under the Subscription

By Order of the Board
Ming Pao Enterprise Corporation Limited
Tiong Kiew Chiong
Director

Hong Kong, 12 March 2004

*Please also refer to the published version of this announcement in the (**South China Morning Post**)*