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MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 685)

POSSIBLE DISCLOSEABLE TRANSACTION AND MATERIAL DILUTION OF INTEREST IN A MAJOR SUBSIDIARY IN RELATION TO THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF ONE MEDIA GROUP LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

FINANCIAL ADVISER TO MING PAO ENTERPRISE CORPORATION LIMITED



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

The Board is pleased to announce that, on 10 May 2005, the Company made an application to the Stock Exchange for the approval of the Proposed Spin-off, and OMG submitted an advance booking form (Form A1) to the Stock Exchange for an application for the listing of, and permission to deal in, the shares of OMG on the Main Board of the Stock Exchange. The Proposed Spin-off is subject to the requirements under Practice Note 15 and other relevant provisions of the Listing Rules.

The Proposed Spin-off, should it proceed, will constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. It will also constitute a material dilution of the Company's interest in a major subsidiary, which will require approval of the Shareholders under Practice Note 15 of the Listing Rules. The OMG Share Option Scheme will also require approval of the Shareholders under Chapter 17 of the Listing Rules. A circular containing, among other things, further details of the Proposed Spin-off and the OMG Share Option Scheme, advice from an independent financial adviser on the Proposed Spin-off as well as a notice of an extraordinary general meeting to be convened by the Company to approve the Proposed Spin-off and the OMG Share Option Scheme, will be despatched to the Shareholders in due course.

No final decision has yet been made by the Board as to whether and when the Proposed Spin-off and the Share Offer will be launched. There can be no assurance that the approval of the Stock Exchange for the Proposed Spin-off and the listing of, and permission to deal in, the shares of OMG will be granted. Further announcement(s) will be made by the Company in relation to the Proposed Spin-off and the Share Offer if and when appropriate.

Shareholders and potential investors should note that the Proposed Spin-off is subject to, among other things, the final decision of the Board and the approvals from the Shareholders and the Stock Exchange and, may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

This announcement is made pursuant to Rule 13.09 of the Listing Rules. As disclosed in the Company's announcement dated 12 March 2004 and circular dated 3 April 2004, the Board has been considering a possible spin-off of a subsidiary of Winmax which will hold all the companies and assets of Winmax and its subsidiaries and the listing of such subsidiary's securities on the Stock Exchange. The Board is pleased to announce that, on 10 May 2005, the Company made an application to the Stock Exchange for the approval of the Proposed Spin-off, and OMG submitted an advance booking form (Form A1) to the Stock Exchange for an application for the listing of, and permission to deal in, the shares of OMG on the Main Board of the Stock Exchange. The Proposed Spin-off is subject to the requirements under Practice Note 15 and other relevant provisions of the Listing Rules.

INFORMATION ON THE OMG GROUP

OMG was incorporated as an exempted company in the Cayman Islands on 11 March 2005. Prior to the Proposed Spin-off, a reorganization will be carried out pursuant to which OMG will become the immediate holding company of OMH and its subsidiaries and a direct wholly-owned subsidiary of Winmax. Winmax is currently an indirect 60%-owned subsidiary of the Company.

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. The OMG Group, which is the subject of the Proposed Spin-off, represents the Group's consumer lifestyle magazine operating arm. The OMG Group currently publishes three well-known lifestyle magazines in Hong Kong, namely, *Ming Pao Weekly*, *Hi-TECH Weekly* and *City Children's Weekly*, and provides contents to, and has the right to sell advertising space in, the magazines that incorporate the contents from four internationally-renowned lifestyle magazines, namely, *Popular Science*, *Tomorrow's Technology Today*, *Digital Camera* and *TopGear*, in the PRC.

Details in respect of the Proposed Spin-off, including the size and structure of the Share Offer, the extent of the reduction in shareholding of the Company in OMG and the expected timetable, have not yet been finalized. A further announcement will be made by the Company after the structure of the Proposed Spin-off and the Share Offer is finalized.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board believes that the separate listing of OMG will provide OMG direct access to the capital market for equity and/or debt financing, and the value of the OMG Group would be more distinct, recognizable and easier to realize. The Proposed Spin-off will also enhance the transparency of the performance of OMG's business as well as its decision-making process and improve its responsiveness to market changes. The Board expects that the OMG Group, by having a separate management team and a non-political editorial platform, will be able to capitalize on the fast growing lifestyle magazine market in Hong Kong and the PRC.

The Board believes that the Proposed Spin-off will be beneficial to the Shareholders because the Company will be able to realize the value of its investments in OMG, return value to its Shareholders in the form of liquid securities, as well as focus on developing its remaining business.

CONDITIONS PRECEDENT FOR THE PROPOSED SPIN-OFF

The Proposed Spin-off will be conditional on, among other things, the following:

- (a) the Shareholders approving the Proposed Spin-off;
- (b) the Stock Exchange granting approval for the Proposed Spin-off and the listing of, and permission to deal in, the shares of OMG in issue and to be issued under the Share Offer; and

(c) the terms and structure of the Share Offer being agreed among the Company, OMG and the joint bookrunners in respect of the Share Offer.

If the above conditions are not fulfilled, the Proposed Spin-off will not proceed and the Stock Exchange will be notified immediately and a notice will be published by the Company as soon as practicable thereafter.

ASSURED ENTITLEMENT

The Board will give due regard to the interests of the existing Shareholders by providing them with an assured entitlement to the shares of OMG if the Board decides to proceed with the Proposed Spin-off and the Share Offer (subject to certain conditions being fulfilled). Details of such assured entitlement have not yet been finalized. A further announcement will be made by the Company in due course giving details of the assured entitlement to be made to the qualifying Shareholders of the Company to subscribe for shares of OMG under the Share Offer.

POSSIBLE DISCLOSEABLE TRANSACTION, MATERIAL DILUTION OF INTEREST IN A MAJOR SUBSIDIARY AND SHAREHOLDERS' APPROVAL

The Proposed Spin-off, should it proceed, will constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. It will also constitute a material dilution of the Company's interest in a major subsidiary, which will require approval of the Shareholders under Practice Note 15 of the Listing Rules. Upon completion of the Proposed Spin-off, OMG will remain a subsidiary of the Company. The OMG Share Option Scheme will also require approval of the Shareholders under Chapter 17 of the Listing Rules. A circular containing, among other things, further details of the Proposed Spin-off and the OMG Share Option Scheme, advice from an independent financial adviser on the Proposed Spin-off as well as a notice of an extraordinary general meeting to be convened by the Company to approve the Proposed Spin-off and the OMG Share Option Scheme, will be despatched to the Shareholders in due course.

GENERAL

No final decision has yet been made by the Board as to whether and when the Proposed Spin-off and the Share Offer will be launched. There can be no assurance that the approval of the Stock Exchange for the Proposed Spin-off and the listing of, and permission to deal in, the shares of OMG will be granted. Further announcement(s) will be made by the Company in relation to the Proposed Spin-off and the Share Offer if and when appropriate.

In connection with the Share Offer, the price of the offer shares may be stabilized in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilization and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and rules made thereunder will be contained in the prospectus to be issued by OMG in connection with the Share Offer.

Shareholders and potential investors should note that the Proposed Spin-off is subject to, among other things, the final decision of the Board and the approvals from the Shareholders and the Stock Exchange, and may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	Ming Pao Enterprise Corporation Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“OMG”	One Media Group Limited, an exempted company incorporated in the Cayman Islands with limited liability on 11 March 2005
“OMG Group”	OMG, OMH and OMH’s subsidiaries
“OMG Share Option Scheme”	the share option scheme proposed to be adopted by OMG which will take effect subject to, among other things, the commencement of dealings in OMG’s shares on the Stock Exchange
“OMH”	One Media Holdings Limited, formerly known as Richtop Resources Limited and One Media Group Limited, a company incorporated in the British Virgin Islands with limited liability on 16 January 2004 and a direct wholly-owned subsidiary of Winmax
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Spin-off”	the proposed separate listing of the shares of OMG on the Main Board of the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Offer”	the proposed offer of the shares in OMG for subscription to the public in Hong Kong and the placing of the shares in OMG with certain professional and institutional investors, in connection with the Proposed Spin-off
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Winmax”	Winmax Resources Limited, a company incorporated in the British Virgin Islands with limited liability on 16 January 2004 and an indirect 60%-owned subsidiary of the Company

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

Hong Kong, 11 May 2005

As at the date of this announcement, the Board comprises Tan Sri Datuk Tiong Hiew King, Mr. Tiong Kiu King, Dr. Tiong Ik King and Mr. Tiong Kiew Chiong, being executive directors; and Mr. Tang Ying Yu, Mr. David Yu Hon To and Mr. Victor Yang, being independent non-executive directors.

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