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明報

MING PAO ENTERPRISE CORPORATION LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 685)

SHARE TRANSACTION

The Directors announce that on 20th March 2006, Energetic, Skyland, Tom, the Company and YZZK entered into the Agreement pursuant to which Skyland will acquire the Sale Shares, representing 50% of the issued share capital of YZZK, from Energetic.

The consideration for the Acquisition shall be HK\$16.2 million, which shall be satisfied by way of allotment and issue of the Consideration Shares at an issue price of HK\$1.35 per Consideration Share.

The Acquisition constitutes a share transaction for the Company for the purpose of the Listing Rules.

THE AGREEMENT

Date:

20th March 2006

Parties:

Vendor : Energetic, a wholly-owned subsidiary of Tom

Purchaser : Skyland, a non-wholly-owned subsidiary of the Company

Others : The Company, Tom and YZZK

Each of the Company, Tom and YZZK has given certain representations and warranties in the Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Energetic and Tom, and their ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Assets to be acquired:

The Sale Shares, representing 50% of the issued share capital of YZZK

Consideration:

The consideration for the Acquisition shall be HK\$16.2 million, which shall be satisfied by way of allotment and issue of the Consideration Shares at an issue price of HK\$1.35 per Consideration Share.

The issue price of the Consideration Shares represents (i) a discount of approximately 2.2% to the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on 20th March 2006, being the date of the Agreement; (ii) a discount of approximately 1.9% over the average of the closing prices of HK\$1.376 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 20th March 2006; (iii) a discount of approximately 1.6% over the average of the closing prices of HK\$1.372 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including 20th March 2006; and (iv) a discount of approximately 13.5% to the audited consolidated net asset value of the Group of HK\$1.56 per Share as at 31st March 2005.

The Consideration Shares represent (i) approximately 3.05% of the existing issued share capital of the Company as at the date of the Agreement; and (ii) approximately 2.96% of the issued share capital of the Company as enlarged by the issue thereof.

The Consideration Shares will be issued under the general mandate granted to the Directors by the Shareholders on 11th August 2005. The Consideration Shares will rank pari passu with all the existing Shares in all respects as at the date of issue of the Consideration Shares.

The consideration for the Acquisition was arrived at after arm's length negotiations between the parties with reference to the financial performance and asset value of the YZZK Group.

Condition:

Completion of the Agreement is conditional upon the Stock Exchange granting the listing of and permission to deal in the Consideration Shares which shall not be later than 20th April 2006, unless otherwise agreed in writing between Energetic and Skyland.

Completion:

Completion of the Agreement shall take place 3 business days after the condition referred to above has been satisfied or deferred or such other date as the Parties may agree in writing, but in any event, no later than 30th April 2006.

Other Terms:

Subject to completion of the Acquisition having taken place, Skyland, with effect from 1st January 2006, shall be:-

- (i) entitled to the entire economic benefits of and arising from the business operations of the YZZK Group; and
- (ii) liable for all liabilities incurred by and claimed against the YZZK Group and all outgoings and expenses of whatever nature of the YZZK Group.

Each of Energetic, Skyland and YZZK shall procure the capitalization of the aggregate sum of HK\$9 million, representing the sum of such shareholder's loan of HK\$4.5 million provided by each of Energetic and Skyland to YZZK, in the share capital of YZZK on completion of the Acquisition.

INFORMATION ON YZZK GROUP

The YZZK Group is engaged in the publication of Yazhou Zhoukan, an authoritative Chinese current events weekly magazine distributed over 15 countries in the world.

The unaudited consolidated turnover for the YZZK Group for the two years ended 31st December 2004 and 2005 were approximately HK\$50.35 million and HK\$48.14 million, respectively. The unaudited consolidated losses both before and after taxation for the YZZK Group for the two years ended 31st December 2004 and 2005 were approximately HK\$7.45 million and HK\$5.54 million, respectively. As at 31st December 2005, the unaudited consolidated net liabilities of the YZZK Group was approximately HK\$60.84 million. It is estimated that the premium of the

consideration over the net asset value of YZZK Group will be approximately HK\$42 million. The consideration for the Acquisition was arrived at after arm's length negotiations between the parties.

As the chairman of the board of directors of YZZK appointed by Energetic shall have a casting vote in the event of equality of votes in a board meeting, YZZK has been treated as a subsidiary of Tom under the Listing Rules. The financial results of YZZK have been consolidated in the consolidated accounts of Tom. Upon completion of the Acquisition, YZZK will be treated as a subsidiary of the Group and its financial results will be consolidated in the next consolidated accounts of the Group.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the publication of Chinese language newspapers, magazines, books and Internet, as well as the provision of travel and travel related services. On 2nd March 2001, Skyland disposed of 50% of the issued share capital of YZZK to Energetic for a cash consideration of HK\$60 million, in order to transform YZZK into a multimedia Chinese platform upon which the worldwide Chinese population may appreciate the economic development of the People's Republic of China. Upon completion of the Acquisition, the Company will issue 12,000,000 new ordinary Shares to Energetic or its nominee, and Skyland will then become the sole shareholder of YZZK. The Directors consider that the Acquisition could achieve business synergies for the other publications of the Group and have a broader scope of cooperation with Tom, principally engaged in the business areas of Internet, outdoor media, publishing, sports, television and entertainment.

The Directors consider that the Agreement was negotiated on an arm's length basis and was agreed on normal commercial terms between the parties. The Directors further consider that the terms of the Agreement are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Acquisition constitutes a share transaction for the Company for the purpose of the Listing Rules.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Acquisition”	acquisition of the Sale Shares pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 20th March 2006 entered into between Energetic, Tom, Skyland, the Company and YZZK in relation to the Acquisition
“Board”	the board of directors of the Company
“business day”	a day (other than Saturday or Sunday) on which licensed banks in Hong Kong are open for ordinary business
“Company”	Ming Pao Enterprise Corporation Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Consideration Shares”	12,000,000 new Shares to be issued and allotted to Energetic or its nominee to satisfy the consideration for the Acquisition
“Directors”	the directors of the Company
“Energetic”	Energetic Assets Limited, an investment holding company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of Tom
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Sale Shares”	the 6,000 shares of HK\$1 each (including 1,000 shares to be issued to Energetic upon the capitalization of the shareholder’s loan of HK\$4.5 million) in the issued share capital of YZZK, representing 50% of the issued shares in the capital of YZZK

“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Skyland”	Skyland International Investment Limited, a company incorporated in the British Virgin Islands, which is a non-wholly-owned subsidiary of the Company. As at the date of the Agreement, Skyland owns 50% of the issued share capital of YZZK
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tom”	TOM Group Limited, a company incorporated in the Cayman Islands, whose shares are listed on the main board of the Stock Exchange
“YZZK”	Yazhou Zhoukan Holdings Limited, a company incorporated in the British Virgin Islands, which was beneficially owned as to 50% by Energetic and 50% by Skyland before the Acquisition
“YZZK Group”	YZZK and its subsidiaries

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

Hong Kong, 20th March 2006

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 Standard.