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MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

PROPOSED CAPITAL REORGANISATION

The Board intends to put forward a proposal in relation to a Capital Reorganisation to the shareholders of the Company for approval. As at 31st March, 2006, the amount standing to the credit of the share premium account of the Company was approximately HK\$605,739,000 and the amount of the retained profits account was approximately HK\$343,286,000. Pursuant to the Share Premium Reduction under the Capital Reorganisation, it is proposed that the share premium account of the Company as at 31st March, 2006 be reduced by HK\$500,000,000 from HK\$605,739,000 to HK\$105,739,000, with the credit arising therefrom being transferred to the retained profits account of the Company. Upon the Share Premium Reduction becoming effective, the amount standing to the credit of the retained profits account of the Company will be increased from approximately HK\$343,286,000 to approximately HK\$843,286,000.

The Capital Reorganisation is subject to the conditions set out in the paragraph headed "Conditions of the Capital Reorganisation" below.

A circular containing details of the proposed Capital Reorganisation together with a notice convening the SGM will be despatched to the shareholders of the Company as soon as practicable.

CAPITAL REORGANISATION

The Board intends to put forward a proposal in relation to the Capital Reorganisation to the shareholders of the Company for approval pursuant to Section 46 of the Companies Act. As at 31st March, 2006, based on the audited financial statements of the Company, the amount standing to the credit of the share premium account of the Company was approximately HK\$605,739,000 and the amount of the retained profits account was approximately HK\$343,286,000. Pursuant to the Share Premium Reduction under the Capital Reorganisation, it is proposed that the share premium account of the Company as at 31st March, 2006 be reduced by HK\$500,000,000 from HK\$605,739,000 to HK\$105,739,000, with the credit arising therefrom being transferred to the retained profits account of the Company. Upon the Share Premium Reduction becoming effective, the amount standing to the credit of the retained profits account of the Company will be increased from approximately HK\$343,286,000 to approximately HK\$843,286,000.

Effect of the Capital Reorganisation

Other than the expenses to be incurred in relation to the Capital Reorganisation, the Board considers that the implementation of the Capital Reorganisation will not, in itself, affect the underlying assets, business operations, management or financial position of the Company or the interests of the shareholders of the Company as a whole.

Reason for the Capital Reorganisation

The Board considers that the Capital Reorganisation will give the Company more flexibility to make a distribution out of retained profits account to its shareholders when the Board considers appropriate. The Board believes that the Capital Reorganisation is beneficial to the Company and its shareholders as a whole.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional on:

- (a) the passing by the shareholders of the Company of a special resolution to approve the Capital Reorganisation at the SGM; and
- (b) the proper compliance with the requirements of section 46(2) of the Companies Act, including (i) the publication of a notice in relation to the Capital Reorganisation in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the date on which the Capital Reorganisation is to have effect; and (ii) that on the date the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation, unable to pay its liabilities as they become due.

In the event that the above conditions are fulfilled, it is expected that the Capital Reorganisation will become effective on the date of passing of the special resolution to approve the Capital Reorganisation.

GENERAL

A circular containing details regarding the proposed Capital Reorganisation together with a notice convening the SGM will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

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

"Board"	the board of directors of the Company
"Capital Reorganisation"	the reorganisation of the share capital structure of the Company by way of the Share Premium Reduction as described in the section headed "Capital Reorganisation" in this announcement
"Companies Act"	the Companies Act 1981 of Bermuda (as amended)

“Company”	Ming Pao Enterprise Corporation Limited, an exempted company incorporated in Bermuda with limited liability and whose shares are listed on The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“SGM”	the special general meeting of the Company to be held to consider and, if appropriate, approve the Capital Reorganisation
“Share Premium Reduction”	the proposed reduction of an amount of HK\$500,000,000 standing to the credit of the share premium account of the Company as at 31st March, 2006 as described in the section headed “Capital Reorganisation” in this announcement

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

Hong Kong, 9th February, 2007

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 China Daily.