
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **MING PAO ENTERPRISE CORPORATION LIMITED**, you should at once hand this circular together with the enclosed proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**MING PAO ENTERPRISE CORPORATION LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

PROPOSED CAPITAL REORGANISATION

A notice convening a special general meeting of Ming Pao Enterprise Corporation Limited to be held at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Monday, 12th March, 2007 at 10:30 a.m. is set out on page 6 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not prevent you from attending and voting in person at the meeting if you so wish.

Hong Kong, 14th February, 2007

CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE	2
LETTER FROM THE BOARD	
Introduction	3
Capital Reorganisation	3
SGM	4
Right to demand a poll	5
Recommendation	5
NOTICE OF SGM	6

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Bye-Laws”	the bye-laws of the Company as amended from time to time
“Capital Reorganisation”	the reorganisation of the share capital structure of the Company by way of the Share Premium Reduction as described under the section headed “Capital Reorganisation” in the “Letter from the Board” of this circular
“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
“Designated Stock Exchange”	a stock exchange which is an appointed stock exchange for the purposes of the Companies Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company
“Director(s)”	the director(s) of the Company
“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 proposed to be held at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Monday, 12th March, 2007 at 10:30 a.m., notice of which is set out on page 6 of this circular
“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 under the section headed “Capital Reorganisation” in the “Letter from the Board” of this circular
“Shareholder(s)”	registered holder(s) of shares of the Company

EXPECTED TIMETABLE

Latest time for lodging forms of proxy for the SGM	10:30 a.m. on 10th March, 2007
SGM	10:30 a.m. on 12th March, 2007
Capital Reorganisation becoming effective	12th March, 2007

LETTER FROM THE BOARD

明報

MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

Executive Directors:

Tan Sri Datuk TIONG Hiew King (*Chairman*)
Mr. TIONG Kiu King
Dr. TIONG Ik King
Mr. TIONG Kiew Chiong (*Chief Executive Officer*)

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Independent Non-executive Directors:

Mr. TANG Ying Yu
Mr. YU Hon To, David
Mr. Victor YANG

Head Office and Principal

Place of Business:
15th Floor, Block A
Ming Pao Industrial Centre
18 Ka Yip Street
Chai Wan
Hong Kong

Hong Kong, 14th February, 2007

To Shareholders

Dear Sir or Madam,

PROPOSED CAPITAL REORGANISATION

INTRODUCTION

The Board announced on 9th February, 2007 that it intended to put forward a proposal in relation to the Capital Reorganisation to the Shareholders. The purpose of this circular is to give you further information regarding the Capital Reorganisation and to give you notice of the SGM to be convened for the purpose of seeking approval of the Capital Reorganisation.

CAPITAL REORGANISATION

Capital Reorganisation

The Board intends to put forward a proposal to the Shareholders for approval in relation to the Capital Reorganisation 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

LETTER FROM THE BOARD

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 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 the Shareholders when the Board considers appropriate. The Board believes that the Capital Reorganisation is beneficial to the Company and the Shareholders as a whole.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional on:

- (a) the passing by the Shareholders 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.

SGM

Set out on page 6 of this circular is a notice convening the SGM to be held at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Monday, 12th March, 2007 at 10:30 a.m., at which a special resolution will be proposed to approve the Capital Reorganisation.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong as soon as possible and in any event not

LETTER FROM THE BOARD

less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not prevent you from attending and voting in person at the meeting if you so wish.

RIGHT TO DEMAND A POLL

Pursuant to the existing Bye-Law 70, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the rules of the Designated Stock Exchange or unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (v) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent. (5%) or more of the total voting rights of all the members having the right to vote at the meeting.

On a show of hands, every Shareholder present in person or by a duly authorised corporate representative or by proxy shall have one vote. On a poll, every Shareholder present in person or by a duly authorised corporate representative or by proxy shall have one vote for every fully paid up Share of which he is the holder. Notwithstanding anything contained in the Bye-Laws, where more than one proxy is appointed by a Shareholder which is a clearing house (or its nominee), each such proxy shall have one vote on a show of hands. Pursuant to the existing Bye-Law 76, a Shareholder entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

RECOMMENDATION

The Directors believe that the Capital Reorganisation is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolution to be proposed at the SGM to approve the Capital Reorganisation.

By Order of the Board
TIONG Kiew Chiong
Director

NOTICE OF SGM

明報

MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Shareholders of Ming Pao Enterprise Corporation Limited (the “**Company**”) will be held at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Monday, 12th March, 2007 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following special resolution:

SPECIAL RESOLUTION

“**THAT**

- (a) with effect from the date of the passing of this resolution, the share premium account of the Company be reduced by HK\$500,000,000 (the “**Share Premium Reduction**”) and the directors of the Company be and are hereby authorised to apply and transfer the credit arising from the Share Premium Reduction to the retained profits account of the Company; and
- (b) the directors of the Company be and are hereby authorised to do all such acts and things (including, without limitation to the generality of the foregoing, the execution of any document, instrument or agreement) as they may, in their absolute discretion, consider necessary, desirable or expedient to implement and/or to give effect to the Share Premium Reduction and the application of the credit which will be released thereby.”

By Order of the Board

LAW Yuk Kuen

Secretary

Hong Kong, 14th February, 2007

Notes:

1. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.