明報

MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

The directors of Ming Pao Enterprise Corporation Limited (the "Company") are pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March 2007, together with comparative figures for the corresponding period in 2006:

CONSOLIDATED INCOME STATEMENT

Year ended 31st March 2007

	Note	**2007** **HK$'000**	2006 HK$'000
Revenue	2	**1,378,964**	1,248,623
Cost of goods sold	3	**(1,003,970)**	(911,014)
Gross profit		**374,994**	337,609
Other income	2	**14,862**	12,214
Other gains, net	4	**7,503**	72,735
Selling and distribution expenses	3	**(211,250)**	(197,280)
Administrative expenses	3	**(131,683)**	(123,838)
Other operating expenses	3	**(19,378)**	(15,665)
Operating profit		**35,048**	85,775
Finance costs	5	**(3,314)**	(3,209)
Share of losses of associated companies		**–**	(2,909)
Profit before income tax		**31,734**	79,657
Income tax expense	6	**(6,469)**	(7,529)
Profit for the year		**25,265**	72,128
Attributable to:			
Equity holders of the Company		**23,705**	68,644
Minority interests		**1,560**	3,484
		25,265	72,128
Dividends	7	**(12,129)**	(27,990)
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents)			
– basic	8	**6**	17
– diluted	8	**6**	17

CONSOLIDATED BALANCE SHEET

31st March 2007

	Note	2007 HK$'000	2006 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**158,835**	163,831
Leasehold land and land use rights		**107,845**	110,557
Intangible assets		**67,028**	69,133
Financial assets at fair value through profit or loss		**7,552**	–
Defined benefit plan assets		**11,028**	10,792
Deferred income tax assets		**10,594**	4,192
		362,882	358,505
Current assets			
Inventories		**56,862**	53,124
Available-for-sale financial assets		**4,698**	4,698
Financial assets at fair value through profit or loss		**1,957**	2,085
Trade and other receivables	*9*	**232,544**	238,784
Income tax recoverable		**4,697**	6,476
Cash and cash equivalents		**277,760**	308,933
		578,518	614,100
Current liabilities			
Trade and other payables	*10*	**198,075**	183,430
Income tax liabilities		**3,190**	633
Short-term bank loans		**6,711**	18,964
Bank overdrafts, secured		**19,695**	20,906
Current portion of long-term liabilities		**6,091**	5,227
		233,762	229,160
Net current assets		**344,756**	384,940
Total assets less current liabilities		**707,638**	743,445
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**40,443**	40,522
Share premium		**104,737**	605,739
Other reserves		**11,256**	7,040
Retained earnings/(accumulated losses)			
– Proposed final dividend		**–**	16,185
– Others		**474,987**	(36,496)
		631,423	632,990
Minority interests		**55,382**	80,818
Total equity		**686,805**	713,808
Non-current liabilities			
Long-term liabilities		**6,263**	15,366
Deferred income tax liabilities		**14,570**	14,271
		707,638	743,445

1. Adoption of International Financial Reporting Standards ("IFRS")

The consolidated financial statements of the Group have been prepared in accordance with IFRS. IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied in preparing these financial statements. These consolidated financial statements are the Group's first financial statements to be prepared in accordance with IFRS.

IFRS 1 sets out the procedures that the Group must follow when it adopts IFRS for the first time as the basis for preparing its consolidated financial statements. The Group is required to establish its IFRS accounting policies for the year ended 31st March 2007 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at its date of transition, 1st April 2005. This standard provides a number of optional exemptions to this general principle. Certain exemptions were adopted by the Group.

When preparing these consolidated financial statements, management has adopted certain accounting, valuation and consolidation methods to comply with IFRS. Accordingly, the consolidated financial statements prepared under HKFRS for the year ended 31st March 2006 have been adjusted to reflect those differences between HKFRS and IFRS. The conversion from HKFRS to IFRS did not result in material impact on the Group's equity, net income and cash flows for the year ended 31st March 2006.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and available-for-sale financial assets.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Standards, amendments and interpretations that are not yet effective for the year ended 31st March 2007

IFRS 7, Financial Instruments: Disclosures (effective for annual periods beginning on or after 1st January 2007). IFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any material impact on the classification and valuation of the Group's financial instruments;

IFRS 8, Operating Segments (effective for annual periods beginning on or after 1st January 2009). IFRS 8 sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates and its major customers. The Group is in the process of making an assessment of the impact of this standard, but not yet in a position to state whether this standard would have a material impact on the classification and presentation of the Group's consolidated financial statements.

Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective for annual periods beginning on or after 1st January 2007). The amendment introduces new disclosures for managing capital. This amendment does not have any material impact on the classification and presentation of the Group's consolidated financial statements;

IFRIC-Int 8, Scope of IFRS 2 (effective for annual periods beginning on or after 1st May 2006). IFRIC-Int 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. IFRIC-Int 8 does not have any material impact on the Group's consolidated financial statements;

IFRIC-Int 9, Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1st June 2006). IFRIC-Int 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. As the Group's entities have not changed the terms of their contracts, IFRIC-Int 9 does not have any material impact on the Group's consolidated financial statements;

IFRIC-Int 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1st November 2006). IFRIC– Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply IFRIC-Int 10 from 1st April 2007, but it is not expected to have any significant impact on the Group's consolidated financial statements;

IFRIC-Int 11, IFRS 2 – Group and Treasury Share Transactions (effective for annual periods beginning on or after 1st March 2007). IFRIC-Int 11 requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity-instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments needed are obtained. IFRIC-Int 11 also provides guidance on whether share-based payment arrangements, in which suppliers of goods or services of an entity are provided with equity instruments of the entity's parent, should be accounted for as cash-settled or equity-settled in the entity's financial statements. IFRIC-Int 11 is not expected to have a material impact on the Group's consolidated financial statements; and

IFRIC-Int 12, Service Concession Arrangements (effective for annual periods beginning on or after 1st January 2008). IFRIC-Int 12 provides guidance on the accounting by operators for public-to-private service concession arrangements. As the Group does not have any public-to-private service concession arrangements, IFRIC-Int 12 is not relevant to the Group's operations.

2. Turnover, other income and segment information

Turnover consists of income from the publication of Chinese newspapers, periodicals and books, provision of travel and travel related services. Turnover and other income recognised during the year are as follows:

	2007	2006
	HK$'000	*HK$'000*
Turnover		
Advertising income, net of trade discounts	**680,159**	640,309
Sales of newspapers, periodicals and books, net of trade discounts and returns	**200,275**	188,467
Travel and travel related services income	**494,755**	416,724
Travel agency commission income	**3,775**	3,123
	1,378,964	1,248,623
Other income		
Interest income	**10,922**	8,640
Rental and management fee income	**793**	558
Dividend income	**80**	75
License fees and royalty income	**1,214**	1,242
Sales of newsprint waste	**1,853**	1,699
	14,862	12,214
Total revenue and other income	**1,393,826**	1,260,837

The Group is principally engaged in the publication of Chinese newspapers, periodicals and books, provision of travel and travel related services. The Group's revenue and results for the year, analysed by business segment and geographical segment, are as follows:

Primary reporting format – business segments

	Publishing 2007 *HK$'000*	Travel and travel related services 2007 *HK$'000*	Elimination 2007 *HK$'000*	Group 2007 *HK$'000*
Revenue	**880,434**	**498,530**	**–**	**1,378,964**
Segment results	**25,975**	**(294)**	**–**	**25,681**
Interest income				**10,922**
Net unallocated expenses				**(1,555)**
Operating profit				**35,048**
Finance costs				**(3,314)**
Profit before income tax				**31,734**
Income tax expense				**(6,469)**
Profit for the year				**25,265**
Segment assets	**812,546**	**60,813**	**(24,903)**	**848,456**
Unallocated assets				**92,944**
Total assets				**941,400**
Segment liabilities	**(192,846)**	**(57,354)**	**24,903**	**(225,297)**
Unallocated liabilities				**(29,298)**
Total liabilities				**(254,595)**
Capital expenditure on property, plant and equipment	**19,113**	**842**	**–**	**19,955**
Depreciation	**25,699**	**755**	**–**	**26,454**
Amortisation of leasehold land and land use rights	**2,712**	**–**	**–**	**2,712**
Amortisation of intangible assets	**2,105**	**–**	**–**	**2,105**
Net other non-cash expenses	**1,096**	**(149)**	**–**	**947**

	Publishing 2006 *HK$'000*	Travel and travel related services 2006 *HK$'000*	Elimination 2006 *HK$'000*	Group 2006 *HK$'000*
Revenue	828,776	419,847	–	1,248,623
Segment results	15,657	1,888	–	17,545
Interest income				8,640
Other gains				60,956
Net unallocated expenses				(1,366)
Operating profit				85,775
Finance costs				(3,209)
Share of losses of associated companies				(2,909)
Profit before income tax				79,657
Income tax expense				(7,529)
Profit for the year				72,128
Segment assets	847,047	33,166	(33,102)	847,111
Unallocated assets				125,494
Total assets				972,605
Segment liabilities	(215,910)	(42,339)	33,102	(225,147)
Unallocated liabilities				(33,650)
Total liabilities				(258,797)
Capital expenditure on property, plant and equipment	11,053	760	–	11,813
Capital expenditure on intangible assets	67,631	–	–	67,631
Depreciation	24,961	789	–	25,750
Amortisation of leasehold land and land use rights	2,712	–	–	2,712
Amortisation of intangible assets	526	–	–	526
Net other non-cash expenses	5,767	(109)	–	5,658

Secondary reporting format – geographical segments

	Hong Kong 2007 *HK$'000*	**North America 2007** *HK$'000*	**Mainland China 2007** *HK$'000*	**Elimination 2007** *HK$'000*	**Group 2007** *HK$'000*
Revenue	**851,024**	**471,265**	**56,675**	**–**	**1,378,964**
Segment results	**74,757**	**(21,953)**	**(16,171)**	**–**	**36,633**
Interest income					**10,922**
Net unallocated expenses					**(12,507)**
Operating profit					**35,048**
Segment assets	**886,045**	**138,086**	**212,543**	**(388,218)**	**848,456**
Unallocated assets					**92,944**
Total assets					**941,400**
Segment liabilities	**(139,380)**	**(349,094)**	**(125,041)**	**388,218**	**(225,297)**
Unallocated liabilities					**(29,298)**
Total liabilities					**(254,595)**
Capital expenditure on property, plant and equipment	**14,647**	**3,669**	**1,639**	**–**	**19,955**

	Hong Kong 2006 *HK$'000*	North America 2006 *HK$'000*	Mainland China 2006 *HK$'000*	Elimination 2006 *HK$'000*	Group 2006 *HK$'000*
Revenue	754,909	459,484	34,230	–	1,248,623
Segment results	73,037	(29,727)	(17,549)	–	25,761
Interest income					8,640
Other gains					60,956
Net unallocated expenses					(9,582)
Operating profit					85,775
Segment assets	852,005	134,068	194,005	(332,967)	847,111
Unallocated assets					125,494
Total assets					972,605
Segment liabilities	(143,554)	(294,854)	(119,706)	332,967	(225,147)
Unallocated liabilities					(33,650)
Total liabilities					(258,797)
Capital expenditure on property, plant and equipment	7,144	2,268	2,401	–	11,813
Capital expenditure on intangible assets	67,631	–	–	–	67,631

3. Expenses by nature

	2007	2006
	HK$'000	*HK$'000*
Auditors' remuneration		
Current year	**4,268**	3,149
Under/(over) provision in prior years	**94**	(41)
Raw materials and consumables used	**245,649**	220,294
Depreciation		
Owned property, plant and equipment	**25,272**	23,945
Leased property, plant and equipment	**1,182**	1,805
Amortisation of leasehold land and land use rights	**2,712**	2,712
Amortisation of intangible assets	**2,105**	526
Employee benefit expense (including directors' emoluments)	**370,959**	359,858
Operating lease expenses		
Land and buildings	**13,151**	12,218
Machineries	**182**	171
Provision for impairment of receivables	**348**	4,872
Provision for inventory obsolescence	**599**	786
Loss on disposals of property, plant and equipment, net	**12**	76
Other expenses	**699,748**	617,426
	1,366,281	1,247,797

4. Other gains, net

Other gains, net, include the following:

	2007	2006
	HK$'000	*HK$'000*
Net exchange (loss)/gain	**(18)**	1,818
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(365)**	137
Deemed gain on disposal of partial interests in subsidiaries *(note a)*	**–**	33,102
Gain on disposal of partial interests in subsidiaries *(note b)*	**–**	27,854
Others	**7,886**	9,824
	7,503	72,735

Notes:

(a) On 18th October 2005, the shares of One Media Group Limited ("OMG"), a subsidiary of the Group, were listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited by the issuance of new ordinary shares. As a result, a gain on deemed disposal of partial interests in subsidiaries amounting to HK$33,102,000 was recognised by the Group.

(b) In March 2004, the Group and Redgate Media Inc. ("Redgate") entered into an agreement ("Redgate Agreement") such that 40% of the equity interest in Winmax Resources Limited ("Winmax"), a subsidiary of the Group that operates the Group's lifestyle magazine business, was transferred to Redgate. In return, Redgate transferred its 100% equity interest in Media2U Group together with a cash consideration of HK$8,921,000 to the Group. Details of the transaction were disclosed in the Company's announcement dated 9th March 2004. One of the conditions in the Redgate Agreement provided that if Media2U Group could not achieve an agreed pre-tax profit target for the two financial years commencing from 1st April 2004 to 31st March 2006 ("Pre-tax Profit") as prescribed therein, Redgate would at its discretion either pay to the Group a pre-determined cash amount or reduce its shareholding in Winmax. As Media2U Group did not achieve the Pre-tax Profit, a gain on disposal of partial interests in subsidiaries of HK$27,854,000 was recorded in the Group's consolidated income statement in the year ended 31st March 2006 to reflect the probable adjustment to the value of consideration received on disposal of partial interests in Winmax in accordance with the Redgate Agreement.

5. Finance costs

	2007	2006
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**2,901**	2,284
Interest on bank loans and overdrafts not wholly repayable within five years	**–**	444
Interest element of finance leases payments wholly repayable within five years	**413**	481
	3,314	3,209

6. Income tax expense

Hong Kong profits tax is provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates. The amount of income tax expense charged to the consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Hong Kong profits tax		
Current year	**6,806**	8,975
Over provision in prior years	**(43)**	(337)
Overseas taxation		
Current year	**5,944**	3,001
Over provision in prior years	**(135)**	(334)
Deferred income tax	**(6,103)**	(3,776)
	6,469	7,529

7. Dividends

	2007	2006
	HK$'000	*HK$'000*
Interim, paid, of HK3 cents (2006: HK3 cents) per ordinary share	**12,129**	11,805
Proposed final – Nil (2006: HK4 cents per ordinary share, paid) *(note)*	**–**	16,185
	12,129	27,990

Note: The board of directors has resolved not to recommend a final dividend for the year ended 31st March 2007 (2006: HK4 cents per ordinary share).

8. Earnings per share

(i) Basic

The calculation of basic earnings per share is based on the Group's profit attributable to the equity holders of HK$23,705,000 (2006: HK$68,644,000) and the weighted average number of 404,666,115 (2006: 393,864,156) ordinary shares in issue during the year.

(ii) Diluted

The calculation of diluted earnings per share is based on the Group's profit attributable to the equity holders of HK$23,705,000 (2006: HK$68,644,000) and the weighted average number of 404,766,098 (2006: 393,991,242) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

9. Trade receivables

At 31st March 2007, the ageing analysis of the Group's net trade receivables is as follows:

	2007	2006
	HK$'000	*HK$'000*
0 to 60 days	**115,061**	106,057
61 to 120 days	**48,084**	44,164
121 to 180 days	**14,332**	15,895
Over 180 days	**8,340**	7,319
	185,817	173,435

The Group allows in general a credit period ranging from 7 days to 120 days to its trade customers.

10. Trade payables

At 31st March 2007, the ageing analysis of the Group's trade payables is as follows:

	2007	2006
	HK$'000	*HK$'000*
0 to 60 days	**65,317**	57,114
61 to 120 days	**4,892**	6,050
121 to 180 days	**1,136**	2,985
Over 180 days	**2,063**	428
	73,408	66,577

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

	2007	2006	Change
	HK$'000	*HK$'000*	*%*
Revenue	**1,378,964**	1,248,623	+10
Gross profit	**374,994**	337,609	+11
Operating profit	**35,048**	85,775	–59
Operating profit (excluding the one-off gain)	**35,048**	24,819	+41
Profit attributable to the Company's equity holders	**23,705**	68,644	–65
Basic earnings per share	**HK6 cents**	HK17 cents	– HK11 cents

The Group reported a growth of HK$130,341,000 or 10% in consolidated turnover over the previous year, primarily attributable to the growth in advertising income and revenues from the Group's tour business. Gross profit also increased at about the same rate, by 11%, to HK$374,994,000. Operating profit for the year was HK$35,048,000, which was 59% less than last year's operating profit of HK$85,775,000. The Group's profit attributable to the Company's equity holders for the year amounted to HK$23,705,000 (2006: HK$68,644,000) while earnings per share was HK6 cents (2006: HK17 cents).

Last year's operating profit included a one-off gain of HK$60,956,000 from the disposal of part of the Group's stake in OMG. Excluding the effect of this gain, the Group's operating profit from normal operations would have increased by 41% from HK$24,819,000 to HK$35,048,000 while profit attributable to the Company's equity holders for the year would have increased by 208% from HK$7,688,000 to HK$23,705,000.

On 23rd April 2007, the Company entered into a merger agreement in relation to a proposed merger (the "Proposed Merger") with two leading Chinese language newspaper publishers, Sin Chew Media Corporation Berhad ("Sin Chew") and Nanyang Press Holdings Berhad ("Nanyang Press"). After the completion of the Proposed Merger, the merged entity will become the first to be dually-listed on The Stock Exchange of Hong Kong Limited and Bursa Malaysia Securities Berhad. Details of the Proposed Merger were included in a circular dated 9th June 2007 to the shareholders of the Company. At a special general meeting of the Company held on 27th June 2007, the Proposed Merger was duly approved by the shareholders of the Company.

Segmental Review

Publishing

Hong Kong

During the year, the turnover from our Hong Kong publishing operations, including *Ming Pao Daily News*, *Ming Pao Weekly* and other publications, has achieved a growth of 4% to HK$574,373,000. Excluding the one-off gain from the disposal of partial equity interests in OMG in last year, the operating profit from this segment during the year under review increased by 9% to HK$72,559,000.

During the year, we have continued to enhance the content in our Hong Kong newspaper flagship, *Ming Pao Daily News*, with the revamp of the classified sections targeting the booming labour market and real estate market. We have also enriched our financial news coverage in response to an active equities market, having established the "MP Investor Club" which has already well over 100,000 members registered within a few months since its launch. We have also introduced more event-based campaigns to compliment our clients' response-driven marketing strategies. While the industry landscape in Hong Kong has remained competitive, circulation copies of *Ming Pao Daily News* remained stable, reiterating the newspaper's prominent position in Hong Kong.

Web traffic of mingpao.com has continued to grow during the year and the website has now close to 800,000 registered active users. Besides instant general news, mingpao.com also provides a wide range of information to its readers, including health, education and recruitment. The increasing popularity of mingpao.com as an advertising medium has enabled the Group to increase its income from advertising sales, content sales, and service subscription. Our cross-media strategy to combine advertising sales of both *Ming Pao Daily News* and mingpao.com has led to satisfactory growth in both the Internet revenues and operating profit.

Ming Pao Weekly, the Group's premier entertainment/celebrity/fashion title, recorded the highest advertising revenue in its 39-year history. With the distribution of both the Compact and the Classic editions of the magazine stable a year after the introduction of the former, it is poised to enjoy unprecedented successes. For the fifth consecutive year, *Ming Pao Weekly* garnered a number of awards given by the Society of Publishers in Asia, showing its recognised outstanding editorial quality in the industry.

In November 2006, the eMag version of *Hi-Tech Weekly* was launched, allowing the magazine's cyber-savvy readers to subscribe to a purely digital version of the title over the Internet. It is anticipated that this innovative format will broaden the Group's reach to readers as well as advertisers.

Yazhou Zhoukan has become a wholly-owned publication of the Group with effect from 1st January 2006 through the Group's repurchase of its 50% equity interest from TOM Group Limited. Performance of *Yazhou Zhoukan* has continued to improve, gaining greater recognition amongst the academic arena.

Ming Pao Monthly celebrated its 40th anniversary this year, maintaining its unwavered position as a respected and quality publication. During the year, we have lined up well-acclaimed writers to contribute to the publication and the article "Ground One: Voices from post-9/11 Chinatown" has won the First Place of "Best Investigative/In-depth Story" award from The Independent Press Association's Ippies Awards in 2006.

Our publishing house, Ming Pao Publications, has published over 140 new titles during the year, including the book from the "Recommended Titles from the 2006 Hong Kong Book Fair", as well as nurtured several promising new writers to cater to the younger readers. The Group will continue to publish high quality books and develop a series of educational publications on a broad range of practical, general interest topics targeting young readers.

North America

Revenue from our North American publishing operations improved by about 3% mainly driven by revenue growth in Canada. With our aggressive marketing strategies, including publication of free supplements, competitive advertising packages and various circulation drives, the Canadian editions have out-competed their peers with an impressive growth in combined turnover and maintained encouraging performance. In addition, the strong Canadian economy has led to the strong growth in revenue. The two Canadian editions have continued to seize a larger share of the market as advertisers have increased their spendings on the back of a strong economy. Due to intense competition in the local market, the Group's publishing operations in the US experienced a 13% drop in revenues. The operating results, however, remain at the same level as last year's as a result of the restructuring process that has taken place in the US operations since April 2006. The management will continue to closely monitor the US operations.

China (via OMG)

During the year, the subsidiaries of OMG engaged in the business of selling advertising space in and providing content to magazines in Mainland China, including Popular Science, T3, Top Gear, MING and Rolling Stone. These titles together contributed a total revenue of approximately HK$39,843,000 to the Group, representing a 148% increase when compared to last year. OMG's operations in the PRC reported an operating loss of HK$14,875,000 for the year (2006: HK$14,959,000) as a result of the initial start-up costs relating to MING and Rolling Stone and increasing competitive pressure in the technology publishing sector.

While Top Gear and MING recorded a satisfactory growth on advertising and distribution revenues, T3 and Rolling Stone did not achieve the same levels of success. The Group has made the difficult business decision to discontinue the operation of these two magazines. It is expected that this move will add to overall profitability while freeing up resources to focus on further developing current titles and seeking new additions to OMG's portfolio.

Travel and Travel Related Services

Revenue from the Group's tour companies, Charming Holidays and Delta Group, reported a satisfactory growth of about 19% to a total of HK$498,530,000 during the year. Innovative tour packages and the introduction of new sightseeing spots have proved to be very successful. In addition to its strength in long-haul tours, Charming Holidays has diversified its business to provide study tour programs and commercial group tours which were well received by the customers and have contributed steady tour revenue for the Group. Bundled tour packages targeting at overseas Chinese travellers to Mainland China have been launched during the year. These packages are well received by the market and will be a key marketing focus in the future.

However, apart from the rising labour costs, the tour business also faced upward pressures on tour costs which were due primarily to the appreciation of foreign currencies especially Euro dollars during the year, resulting in a drop in operating margins despite the improvement in turnover.

Community Services

School Activities

The "School Reporters Scheme" entered into its 10th year since its establishment by Ming Pao Daily News in 1997. The scheme provides hands-on training to students on basic journalism knowledge and skills, and is being recognised and acknowledged by local secondary schools and teachers as one of the most educational extra curricular activities for the students.

Readers' Donations

For the 4th year, Ming Pao Daily News joined forces with a number of local educational groups to co-organise the "Guangdong Province Remote Area Education Relief Fund" to support the development of education in remote and deprived areas in Guangdong Province. During the year, approximately HK$1.1 million were raised and donated to 10 schools in hill areas.

Outlook

The management believes that the improving global economy and strong advertising markets would benefit the Group's growth in the coming year. In addition, the Group will continuously improve the editorial content and enhance the quality of the layout design of its respective publications to meet the changing demand of the readers.

The Group will also focus on providing better products and services for its advertisers and customers in order to expand its market share and readership base. The Group plans to expand by focusing on a particular content niche in the Mainland China market given its vast potential and relatively early stage of development of its lifestyle magazine sector.

Upon the completion of the Proposed Merger with Sin Chew and Nanyang Press, starting with the initial combined portfolio of 5 daily newspapers in 15 editions that are currently circulated in North America, Southeast Asia, and the Greater China region, the Group will strengthen and expand its content production capability from print into other multimedia formats.

The Proposed Merger is merely a starting point for the Group to embark on even greater achievements to penetrate different Chinese language communities around the world, to provide a broader range of services and proactively explore new ways to provide high quality Chinese language content in a format that would suit the new generation of readers, riding on top of the trend of the convergence of the written, audio and visual records.

The management believes that the enlarged group would achieve higher profitability in the years ahead through more effectively utilising the resources and network of the respective entities, maximizing the operational synergies of the merged platform, and leveraging on each others' unique competitive advantages.

EMPLOYEES

As at 31st March 2007, the Group has approximately 1,550 employees (31st March 2006: approximately 1,600 employees), the majority of whom are employed in Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The Group also adopts share option schemes for its staff of senior grade.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi, US dollar and Canadian dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Currency exposure arising from the net assets of the Group's operations, such as those in the People's Republic of China, the United States and Canada, is managed primarily through operating liabilities denominated in the relevant foreign currencies.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year, the Company repurchased a total of 931,000 of its listed shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of shares repurchased	Purchase price per share Highest	Purchase price per share Lowest	Aggregate purchase consideration
		HK$	*HK$*	*HK$*
April 2006	40,000	1.40	1.39	55,850
May 2006	30,000	1.38	1.33	41,320
July 2006	268,000	1.38	1.32	360,598
August 2006	297,000	1.43	1.35	413,009
September 2006	177,000	1.40	1.35	243,870
October 2006	91,000	1.43	1.38	127,300
November 2006	27,000	1.48	1.45	39,660
December 2006	1,000	1.40	1.40	1,400
	931,000			1,283,007

All the repurchased shares were cancelled during the year. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to the capital redemption reserve.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

Sound corporate governance is crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, protect rights of shareholders and stakeholders, and enhance shareholder value. The Company has always attached great importance to corporate governance so as to ensure its sustainable development.

The Company has adopted all the code provisions in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code on corporate governance practices. During the year, the Company has met the code provisions as set out in the Code.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code for securities transactions by directors of the Company. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standard as set out in the Model Code during the year.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with management the consolidated financial statements for the year ended 31st March 2007, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

By Order of the Board
TIONG Kiew Chiong
Director

Hong Kong, 13th July 2007

As at the date of this announcement, Tan Sri Datuk TIONG Hiew King, Mr. TIONG Kiu King, Dr. TIONG Ik King and Mr. TIONG Kiew Chiong are executive directors of the Company. Mr. TANG Ying Yu, Mr. David YU Hon To and Mr. Victor YANG are independent non-executive directors of the Company.