

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2002

The directors of Ming Pao Enterprise Corporation Limited ("the Company") announce that the unaudited consolidated results of the Company and its subsidiaries ("the Group") for the six months ended 30th September 2002 are as follows:

	(Unaudited)	
	Six months ended	
	30th September	
	2002	2001
		As
		restated
	<i>Notes</i>	
	HK\$'000	HK\$'000
Turnover	<i>1</i> 609,724	573,323
Cost of sales	(451,292)	(438,024)
Gross profit	158,432	135,299
Other income	2,234	6,136
Selling and distribution expenses	(77,213)	(79,119)
Administrative expenses	(51,224)	(61,641)
Other operating expenses	(5,536)	(3,320)
Operating profit/(loss)	26,693	(2,645)
Finance costs	(1,363)	(4,490)
Share of losses of associated companies	(4,030)	(4,236)
Profit/(loss) before taxation	21,300	(11,371)
Taxation	<i>2</i> (3,718)	(3,497)
Profit/(loss) after taxation	17,582	(14,868)
Minority interests	786	1,626
Profit/(loss) attributable to shareholders	18,368	(13,242)
Dividends	<i>3</i> (7,847)	(39,235)

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Basic earnings/(loss) per share 4 4.7 cents (3.4 cents)

Notes:

1 Segment information

The Group's turnover and results for the period, analysed by business segments and geographical segments, are as follows:

Business segments

	(Unaudited)							
	Six months ended 30th September							
	Publishing		Travel and travel related services		Internet businesses		Group	
	2002	2001 As restated	2002	2001 As restated	2002	2001 As restated	2002	2001 As restated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover								
- External sales	345,501	350,666	254,372	190,921	9,851	31,736	609,724	573,323
- Inter-segment sales	-	-	4,239	19,199	-	-	4,239	19,199
	345,501	350,666	258,611	210,120	9,851	31,736	613,963	592,522
Elimination	-	-	(4,239)	(19,199)	-	-	(4,239)	(19,199)
	345,501	350,666	254,372	190,921	9,851	31,736	609,724	573,323
Segment results	30,317	5,658	2,501	2,650	(7,266)	(15,452)	25,552	(7,144)
Interest income							1,615	5,234
Unallocated corporate expenses							(474)	(735)
Operating profit/(loss)							26,693	(2,645)

Geographical segments

	(Unaudited)		(Unaudited)	
	Turnover		Segment results	
	Six months ended 30th September		Six months ended 30th September	
	2002	2001	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	382,424	392,576	25,202	395
Canada	131,503	116,545	7,445	1,614
The United States of America	89,099	52,699	(4,932)	(7,353)
The Mainland China	6,698	11,503	(2,163)	(1,800)
	609,724	573,323	25,552	(7,144)

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Interest income		1,615	5,234
Unallocated corporate expenses		(474)	(735)
Operating profit/(loss)		26,693	(2,645)

2 Taxation

The amount of taxation charge in the consolidated profit and loss account represents:

	(Unaudited)	
	Six months ended	
	30th September	
	2002	2001
	HK\$'000	HK\$'000
Hong Kong profits tax		
- current period	2,525	2,268
- under provision in prior years	-	1,229
Overseas taxation		
- current period	1,193	-
	3,718	3,497

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits of the companies within the Group operating in Hong Kong during the period.

Overseas taxation is provided at the relevant tax rates on the estimated assessable profits of the companies within the Group operating overseas during the period.

3 Dividends

	(Unaudited)	
	Six months ended	
	30th September	
	2002	2001
	HK\$'000	As restated HK\$'000
Special, paid, of Nil (2001: HK8 cents) per ordinary share	-	31,388
Interim, proposed, of HK2 cents (2001: HK2 cents) per ordinary share		

7,847	7,847
7,847	39,235

4 Earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the Group's unaudited profit attributable to shareholders for the period of HK\$18,368,000 (2001: loss attributable to shareholders of HK\$13,242,000, as restated) and the weighted average of 392,345,000 shares (2001: 392,345,000 shares) in issue during the period.

No diluted earnings/(loss) per share were presented as the exercise of the outstanding share options of the Company would have an anti-dilutive effect for both of the periods ended 30th September 2002 and 2001.

5 Comparative figures

Due to the adoption of the new and revised SSAPs during the current period, certain comparative figures have been restated to conform with the current period's presentation.

RESULTS SUMMARY

The consolidated turnover of the Group for the first half of the financial year 2002-2003 rose to HK\$609,724,000 from HK\$573,323,000 in the same period last year, representing an increase of more than 6%. Profit attributable to shareholders for the period was HK\$18,368,000, compared with a loss of HK\$13,242,000 for the corresponding period last year.

BUSINESS REVIEW

Newspapers

During the period under review, Ming Pao Daily News has made good progress towards implementing a number of initiatives despite the challenging economic environment. These included revamping the layout of the entire newspaper, publishing a number of special supplements covering a wide variety of themes and topics, promoting innovative and competitive advertising plans for corporate customers and introducing aggressive reader subscription campaigns. In addition to a well-accepted new look, the contents of the Daily have also been enriched with several new columns and features. Strengthening and enhancing the content of the Education Section have consolidated the Daily's presence in the tertiary education circles. As a

result of the various concerted efforts and strategic measures, the Daily's advertising revenue recorded a 7% year-on-year growth in the first half year of 2002-2003. The Daily's average daily circulation also registered a steady growth during the period and has exceeded 100,000 copies as stated in the latest audited figures provided by the Hong Kong Audit Bureau of Circulations. The hard-earned growth in revenue, combined with a reduction in newsprint costs, has resulted in a marked improvement in the Daily's operating results for the period.

The Daily's overseas editions in Toronto, Vancouver and New York suffered significant drop in revenues last year due to the weak market sentiments even before the September 11 Incident. However, with the increased retailing activities in both Canada and the US since early 2002, the business performance of these overseas editions improved satisfactorily. The advertising revenues of the Canadian and US editions rose by 7% and 10% respectively over those in the same period last year. Coupled with stringent cost controls and savings from lowered newsprint price, the Toronto and Vancouver editions recorded a more than six-fold growth on their combined contributions, an overwhelming result over that of last year's. The operating loss of the New York edition was also reduced by more than one third to a budgeted level.

Magazines and books

In the first six months of the financial year 2002-2003, the overall economy of Hong Kong, in particular the retailing industry, continued to show signs of weakness caused primarily by waning consumer confidence and rising unemployment. Most advertisers tightened their marketing budgets and postponed their promotional campaigns to the second half year, hoping that the economy is recovering then. The overall advertising expenditure in the first half year was visibly reduced and this has an adverse effect on the Group's magazines businesses. The Group's magazines, including Ming Pao Weekly, Ming Pao Monthly, HI-TECH WEEKLY and City Children's Weekly, reported a decrease in their combined turnover of about 15% as compared with that of the same period last year, while their combined operating profit fell by about 11%.

Ming Pao Publications, the Group's books publishing business, on the other hand, recorded a 19% increase in its turnover during the period and an improvement in its contribution for the Group. Apart from the publication of a number of high quality books, this favourable result is achieved by aggressive promotions through different marketing channels and securing competitive prices from the printers.

Travel

In addition to the continuing poor economic environment, the concerns about travelling security in the wake of the September 11 Incident, the Bali bombings and the continual threat of an

America-Iraq war, have seriously undermined people's desire to travel. Faced with such a difficult operating environment, Charming Holidays, the Group's travel services operator in Hong Kong, has diversified into operating overseas student tours and developing the lucrative China market, in addition to providing traditional long haul routes packages. With these strategic moves, Charming managed to achieve a turnover that matched up with that of last year. Its operating result for the period has also been improved due to the application of stringent cost control measures. The Group's travel operator in North America, the Delta Group, continued to develop its profitable ticketing and outbound travel businesses during the period. Delta's operations in the US and Canada recorded increases in turnover of 102% and 22% respectively, an encouraging result in view of the current economic situation.

Internet business

The Group's electronic multi-media division, Mingpao.com, continues to provide timely and high quality news and information through various portals to its Internet users. During the period under review, Mingpao.com has been able to achieve a 9% growth in its content providing income over that of last year. In addition, the increasing acceptance of standards to measure online advertising's effectiveness helped Mingpao.com to maintain a steady stream of online advertising revenue. The weak consumer sentiment in Hong Kong, however, caused a significant drop in business for Charming Online Travel, the Group's online tour operator.

In furtherance of a major operational restructure and a trimming down of headcount in October last year, continuous measures have been taken during the period, including effective allocation of shared resources, which helped to contain the Internet division's operating loss well below the budgeted level. It is expected that Mingpao.com will achieve operational break-even in the second half year.

OUTLOOK

The first half of the financial year 2002-2003 has been difficult for media companies in Hong Kong, as the economy has not shown any signs of improvement. Local unemployment rate is still at a high level and retailing activities remain weak. This situation leads to the scaling down of advertising budgets in a wide spectrum of business sectors, which in turn has an adverse effect on the Group's businesses. Despite this difficult and challenging operating environment, the Group will continue to look for ways to broaden its revenue base while at the same time effective measures are taken to control costs and to increase the various publications' operating efficiency.

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With the latest economic stimulus packages introduced by the local government, targeting at reviving the local property and consumer markets, the Group is optimistic that the economy in Hong Kong will gradually improve and that the media market should pick up consequently.

To leverage on the improving economies in Canada and the US, the Group will continue to exert efforts in the next half year to further develop its publishing and travel businesses in these overseas markets.

FINANCIAL POSITION

The Group continues to maintain a healthy financial status. As at 30th September 2002, the Group's shareholders' funds amounted to HK\$603,744,000 (31st March 2002: HK\$591,664,000, as restated), its long-term liabilities were HK\$8,427,000 (31st March 2002: HK\$9,973,000) and the gearing ratio was 1.40% (31st March 2002: 1.69%, as restated).

The Group also maintains ample liquidity to satisfy its funding requirements, as at 30th September 2002, the Group held cash deposits of HK\$158,643,000 (31st March 2002: HK\$160,535,000) whilst total outstanding bank borrowings amounted to HK\$51,953,000 (31st March 2002: HK\$84,032,000).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Monday, 23rd December 2002, to Friday, 27th December 2002, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend of HK2 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong for registration no later than 4:00 p.m. on Friday, 20th December 2002. The interim dividend will be paid on Wednesday, 8th January 2003.

EMPLOYEES

As at 30th September 2002, the Group has approximately 1,360 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 a share option scheme for its staff of senior grade.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30th September 2002 with the directors.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") will be published on the Stock Exchange's website in due course.

By Order of the Board

Tiong Kiew Chiong

Director

Hong Kong, 6th December 2002

Please also refer to the published version of this announcement in The Standard dated 9 December 2002.