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 2005 are as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30th September 2005

		(Unaudited)	
		Six months ended 30th September	
			As restated
		2005	2004
	Note	**HK$'000**	HK$'000
Turnover	*2*	**660,868**	633,157
Cost of sales		**(484,722)**	(466,507)
Gross profit		**176,146**	166,650
Other revenues and gains		**3,360**	7,750
Selling and distribution expenses		**(90,818)**	(75,527)
Administrative expenses		**(63,862)**	(61,976)
Other operating expenses, net		**(361)**	(1,159)
Operating profit	*3*	**24,465**	35,738
Finance costs	*4*	**(1,364)**	(1,201)
Share of losses of associated companies		**(2,114)**	(1,784)
Profit before taxation		**20,987**	32,753
Taxation	*5*	**(4,660)**	(9,588)
Profit after taxation		**16,327**	23,165
Attributable to:			
Equity holders of the Company		**15,222**	22,087
Minority interests		**1,105**	1,078
		16,327	23,165
Dividends	*6*	**(27,566)**	(27,681)
Basic earnings per share	*7*	**3.9 cents**	5.6 cents
Diluted earnings per share	*7*	**3.9 cents**	5.6 cents

CONSOLIDATED BALANCE SHEET

As at 30th September 2005

	Note	(Unaudited) 30th September 2005 HK$'000	As restated (Audited) 31st March 2005 HK$'000
Non-current assets			
Fixed assets		**169,717**	175,940
Lease premium for land		**111,913**	113,269
Goodwill		**2,028**	2,028
Interests in associated companies		**12,963**	22,210
Defined benefit plan's assets		**15,050**	14,687
Deferred tax assets		**499**	749
		312,170	328,883
Current assets			
Inventories		**55,078**	51,043
Trading securities		**2,028**	1,948
Accounts receivable, deposits and prepayments	*8*	**229,307**	199,553
Tax recoverable		**164**	894
Bank balances and cash		**226,573**	190,158
		513,150	443,596
Current liabilities			
Accounts payable and accrued charges	*9*	**147,070**	118,204
Taxation payable		**9,253**	7,589
Short-term bank loans, secured		**44,604**	22,081
Bank overdrafts, secured		**11,725**	12,504
Current portion of long-term liabilities	*10*	**6,083**	5,943
		218,735	166,321
Net current assets		**294,415**	277,275
Total assets less current liabilities		**606,585**	606,158
Financed by:			
Share capital	*11*	**39,382**	39,442
Reserves		**519,580**	519,370
Shareholders' funds		**558,962**	558,812
Minority interests		**15,237**	12,318
Non-current liabilities			
Long-term liabilities	*10*	**19,928**	22,448
Deferred tax liabilities		**12,458**	12,580
		32,386	35,028
		606,585	606,158

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2005

	(Unaudited) Attributable to equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Exchange fluctuation reserve HK$'000	Difference arising on consolidation HK$'000	Reserve arising on consolidation HK$'000	Accumulated losses HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1st April 2005, as previously reported	39,442	592,467	119,297	649	3,352	(22,400)	5,555	(124,799)	613,563	12,318	625,881
Effect of adopting HKAS 17	–	–	(103,663)	–	–	–	–	33,241	(70,422)	–	(70,422)
Effect of adopting HKAS 17 on deferred tax	–	–	17,948	–	–	–	–	(2,277)	15,671	–	15,671
At 1st April 2005, as restated	39,442	592,467	33,582	649	3,352	(22,400)	5,555	(93,835)	558,812	12,318	571,130
Profit for the period	–	–	–	–	–	–	–	15,222	15,222	1,105	16,327
Disposal of partial interest in subsidiaries	–	–	–	–	–	–	–	–	–	1,814	1,814
Repurchase of ordinary shares	(60)	(945)	–	60	–	–	–	(60)	(1,005)	–	(1,005)
Exchange adjustment	–	–	–	–	1,694	–	–	–	1,694	–	1,694
2004/2005 final dividend paid	–	–	–	–	–	–	–	(15,761)	(15,761)	–	(15,761)
At 30th September 2005	39,382	591,522	33,582	709	5,046	(22,400)	5,555	(94,434)	558,962	15,237	574,199
At 1st April 2004, as previously reported	39,735	596,410	119,297	356	1,167	(22,400)	3,582	(137,015)	601,132	1,664	602,796
Effect of adopting HKAS 17	–	–	(103,663)	–	–	–	–	29,466	(74,197)	–	(74,197)
Effect of adopting HKAS 17 on deferred tax	–	–	17,948	–	–	–	–	(1,595)	16,353	–	16,353
At 1st April 2004, as restated	39,735	596,410	33,582	356	1,167	(22,400)	3,582	(109,144)	543,288	1,664	544,952
Profit for the period, as restated	–	–	–	–	–	–	–	22,087	22,087	1,078	23,165
Disposal of partial interest in subsidiaries	–	–	–	–	–	–	1,973	–	1,973	3,368	5,341
Repurchase of ordinary shares	(200)	(2,664)	–	200	–	–	–	(200)	(2,864)	–	(2,864)
Exchange adjustment	–	–	–	–	1,432	–	–	–	1,432	–	1,432
2003/2004 final and special dividends paid	–	–	–	–	–	–	–	(15,823)	(15,823)	–	(15,823)
At 30th September 2004, as restated	39,535	593,746	33,582	556	2,599	(22,400)	5,555	(103,080)	550,093	6,110	556,203

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September 2005

	(Unaudited)	
	Six months ended 30th September	
	2005	2004
	HK$'000	HK$'000
Net cash inflow from operating activities	**28,648**	22,507
Net cash inflow/(outflow) from investing activities	**5,488**	(698)
Net cash inflow/(outflow) from financing activities	**2,725**	(24,214)
Increase/(decrease) in cash and cash equivalents	**36,861**	(2,405)
Cash and cash equivalents at the beginning of the period	**177,654**	171,136
Effect of foreign exchange rate changes	**333**	(282)
Cash and cash equivalents at the end of the period	**214,848**	168,449
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	**226,573**	179,257
Bank overdrafts	**(11,725)**	(10,808)
	214,848	168,449

NOTES TO THE ACCOUNTS

1. (i) Basis of preparation and accounting policies

This unaudited interim financial report ("interim financial report") has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies and methods of computation used in the preparation of this interim financial report are consistent with those used in the preparation of the Group's annual financial report for the year ended 31st March 2005 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards and HKASs (collectively "HKFRSs") issued by the HKICPA which are effective for accounting periods commencing on or after 1st January 2005.

This interim financial report should be read in conjunction with the Group's 2005 annual financial report.

This interim financial report has been prepared in accordance with those HKFRSs and interpretations issued and effective as at the time of preparing this report. The adoption of the new/revised HKFRSs has resulted in changes in accounting policies or presentation of this interim financial report.

In the fiscal year 2005/2006, the Group adopted the following new/revised HKFRSs, which are relevant to its operations. The fiscal year 2004/2005 comparatives have been restated, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK-Int 4	Leases-Determination of the Length of Lease Term in respect of Hong Kong Land Leases

1. (i) Basis of preparation and accounting policies *(Continued)*

The adoption of HKASs 2, 7, 8, 10, 16, 21, 23, 27, 28, 32, 33, 38, 39 and HK-Int 4 did not result in substantial changes to the Group's accounting policies.

The changes to the Group's accounting policies and the effects of adopting other new/revised HKFRSs are as follows:

(a) HKAS 1: Presentation of Financial Statements

The adoption of HKAS 1 has resulted in changes in presentation in this interim financial report. It has no effect on the profit attributable to equity holders of the Company and minority interests. Certain comparative figures have been restated to comply with the new presentation requirements.

(b) HKAS 17: Leases

The adoption of HKAS 17 has resulted in a change in accounting policy relating to leasehold land. Leasehold land and buildings in Hong Kong were previously carried at cost or valuation less accumulated depreciation and accumulated impairment losses. In accordance with the provisions of HKAS 17, a lease of land and building should be split into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. The lease of land should be classified as an operating lease and any premium paid thereon is stated at cost and amortised over the period of the lease. The leasehold building is stated at cost or valuation less accumulated depreciation and accumulated impairment losses. The prepaid land premium is presented in the balance sheet as a separate item under non-current assets. The leasehold building is included under the classification of fixed assets in the balance sheet. The effect of these changes has been reflected in the comparative figures and is summarised in note 1(ii).

(c) HKAS 24: Related Party Disclosures

The adoption of HKAS 24 has expanded the definition of related parties to include key management of the Group.

(d) HKAS 36: Impairment of Assets
HKFRS 3: Business Combinations

The adoption of HKAS 36 and HKFRS 3 has resulted in a change in accounting policy for goodwill. Prior to this, goodwill was amortised on a straight-line basis over a period of not exceeding 15 years and assessed for any indication of impairment at each balance sheet date.

In accordance with the provisions of HKFRS 3, the Group ceased amortisation of goodwill from 1st April 2005 onwards and goodwill is tested annually for impairment as well as when there is indication of impairment.

1. (i) Basis of preparation and accounting policies *(Continued)*

(e) HKFRS 2: Share-based Payment

The adoption of HKFRS 2 has resulted in a change in accounting policy for employee share options. Prior to this, the Group did not recognise compensation cost in respect of share options granted to employees or executive directors of the Company or any of its subsidiaries. Following the adoption of HKFRS 2, the fair value of share options at grant date is amortised over the relevant vesting periods to the profit and loss account and credited to employee share-based compensation reserve under equity.

In accordance with the transitional provisions of HKFRS 2, the new accounting policy for employee share options has been applied to share options that were granted after 7th November 2002 and had not yet vested at 1st January 2005. Because all outstanding share options granted by the Company to certain directors and full time employees of the Group in previous years had already vested as at 1st January 2005, there was no impact to the respective profit and loss accounts in prior and current periods.

In addition, share options were conditionally granted under a pre-IPO share option scheme (the "Pre-IPO Scheme") of a subsidiary namely One Media Group Limited ("OMG") to certain employees of the Group, the vesting scales in relation to each option granted to the grantees shall begin upon the commencement of dealings in the shares of OMG on the Stock Exchange on 18th October 2005. There was no impact on the consolidated profit and loss account in the current period.

(ii) Summary of restatements made in this interim financial report

The effect of adopting HKAS 17 is summarised below:

	(Unaudited)	
	Six months ended 30th September	
On consolidated profit and loss account	**2005**	2004
	HK$'000	HK$'000
Decrease in depreciation	**3,243**	3,243
Increase in amortisation of lease premium for land	**(1,356)**	(1,355)
Increase in deferred tax charge	**(341)**	(341)
Total increase in profit attributable to equity holders of the Company	**1,546**	1,547
Increase in basic earnings per share	**0.39 cent**	0.39 cent

1. (ii) **Summary of restatements made in this interim financial report *(Continued)***

On consolidated balance sheet	**(Unaudited) 30th September 2005 HK$'000**	(Unaudited) 31st March 2005 HK$'000	(Unaudited) 31st March 2004 HK$'000
Increase/(decrease) in assets and liabilities			
Fixed assets	**(180,448)**	(183,691)	(190,177)
Lease premium for land	**111,913**	113,269	115,980
Deferred tax liabilities	**(15,330)**	(15,671)	(16,353)
Increase/(decrease) in equity			
Revaluation reserves	**(85,715)**	(85,715)	(85,715)
Accumulated losses	**32,510**	30,964	27,871

(iii) **Critical accounting estimates**

The preparation of this interim financial report requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the interim financial report include provision for doubtful debts and provision for asset impairment.

2. **Segment information**

Business segments

An analysis of the Group's turnover and results for the period by business segment is as follows:

	(Unaudited) Six months ended 30th September					
	Publishing		**Travel and travel related services**		**Group**	
	2005 HK$'000	As restated 2004 HK$'000	**2005 HK$'000**	2004 HK$'000	**2005 HK$'000**	As restated 2004 HK$'000
Turnover	**399,255**	381,947	**261,613**	251,210	**660,868**	633,157
Segment results	**15,624**	29,702	**6,524**	5,675	**22,148**	35,377
Interest income					**3,021**	1,576
Unallocated expenses					**(704)**	(1,215)
Operating profit					**24,465**	35,738

2. **Segment information *(Continued)***

Geographical segments

The Group's two business segments operate in three main geographical areas:

	(Unaudited) Turnover Six months ended 30th September		**(Unaudited) Segment results Six months ended 30th September**	
				As restated
	2005	2004	**2005**	2004
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**393,478**	391,285	**32,032**	47,392
North America	**250,019**	220,574	**(5,552)**	(11,755)
Mainland China	**17,371**	21,298	**(4,332)**	(260)
	660,868	633,157	**22,148**	35,377
Interest income			**3,021**	1,576
Unallocated expenses			**(704)**	(1,215)
Operating profit			**24,465**	35,738

3. **Operating profit**

Operating profit is stated after charging the following:

	(Unaudited) Six months ended 30th September	
		As restated
	2005	2004
	HK$'000	HK$'000
Cost of inventories sold	**90,612**	86,173
Amortisation of lease premium for land	**1,356**	1,355
Depreciation		
owned fixed assets	**12,019**	12,518
leased fixed assets	**881**	711
Staff costs (including directors' emoluments)	**175,261**	163,881

4. Finance costs

	(Unaudited) Six months ended 30th September 2005 HK$'000	2004 HK$'000
Interest expenses on bank loans and overdrafts	**1,092**	721
Interest element of finance leases	**272**	480
	1,364	1,201

5. Taxation

The amount of taxation charged/(credited) to the consolidated profit and loss account represents:

	(Unaudited) Six months ended 30th September 2005 HK$'000	As restated 2004 HK$'000
Hong Kong profits tax		
Current period	**4,806**	6,982
Over provision in prior years	**(52)**	(31)
Overseas taxation		
Current period	**144**	2,012
(Over)/under provision in prior years	**(366)**	136
Deferred taxation	**128**	489
	4,660	9,588

Hong Kong profits tax is provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit for the period. Taxation on overseas profit is calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

6. Dividends

	(Unaudited) Six months ended 30th September 2005 HK$'000	2004 HK$'000
Final, paid, of HK4 cents (2004: HK3 cents) per ordinary share	**15,761**	11,868
Special, paid, of nil (2004: HK1 cent) per ordinary share	**–**	3,955
Interim, declared, of HK3 cents (2004: HK3 cents, paid) per ordinary share	**11,805**	11,858
	27,566	27,681

The directors have declared an interim dividend of HK3 cents (2004: HK3 cents) per ordinary share payable on 13th January 2006 to shareholders whose names appear on the register of members of the Company on 4th January 2006.

7. Earnings per share

The calculation of the basic earnings per share is based on the Group's unaudited profit attributable to the equity holders of the Company for the period of HK$15,222,000 (2004: HK$22,087,000, as restated) and the weighted average number of 394,220,639 shares (2004: 396,861,213 shares) in issue during the period.

The diluted earnings per share is based on 394,513,593 (2004: 397,035,390) ordinary shares which is the weighted average number of ordinary shares in issue during the period plus the weighted average number of 292,954 (2004: 174,177) ordinary shares deemed to have been issued at no consideration after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

8. Accounts receivable, deposits and prepayments

Included in accounts receivable, deposits and prepayments are trade receivables and their ageing analysis is as follows:

	(Unaudited) 30th September 2005 HK$'000	(Audited) 31st March 2005 HK$'000
0 to 60 days	**108,550**	96,999
61 to 120 days	**48,997**	44,124
121 to 180 days	**16,063**	16,093
Over 180 days	**9,847**	4,126
	183,457	161,342

The Group allows in general a credit period ranging from 7 days to 90 days and 30 days to 180 days to its trade customers in Hong Kong and Mainland China respectively.

9. Accounts payable and accrued charges

Included in accounts payable and accrued charges are trade payables and their ageing analysis is as follows:

	(Unaudited) 30th September 2005 HK$'000	(Audited) 31st March 2005 HK$'000
0 to 60 days	**69,198**	46,465
61 to 120 days	**2,845**	2,648
121 to 180 days	**2,857**	852
Over 180 days	**232**	175
	75,132	50,140

10. Long-term liabilities

	(Unaudited) 30th September 2005 HK$'000	(Audited) 31st March 2005 HK$'000
Bank loans, secured		
Wholly repayable within five years	**5,412**	6,047
Not wholly repayable within five years	**4,552**	4,646
	9,964	10,693
Obligations under finance leases		
Wholly repayable within five years	**10,859**	12,510
Provision for long service payments	**5,188**	5,188
	26,011	28,391
Current portion of long-term liabilities	**(6,083)**	(5,943)
	19,928	22,448

As at 30th September 2005, the Group's bank loans (secured) and obligations under finance lease were repayable as follows:

	Bank loans (secured)		Finance lease liabilities (note)	
	(Unaudited) 30th September 2005 HK$'000	(Audited) 31st March 2005 HK$'000	(Unaudited) 30th September 2005 HK$'000	(Audited) 31st March 2005 HK$'000
Within one year	**1,881**	1,829	**4,202**	4,114
In the second year	**1,944**	1,890	**2,587**	3,211
In the third to fifth year	**4,418**	5,048	**4,070**	5,185
After the fifth year	**1,721**	1,926	**–**	–
	9,964	10,693	**10,859**	12,510

Note: As at 30th September 2005, future finance charges on obligations under finance leases were HK$864,000 (31st March 2005: HK$1,134,000).

11. Share capital

	(Unaudited) 30th September 2005 HK$'000	(Audited) 31st March 2005 HK$'000
Authorised:		
500,000,000 ordinary shares of HK$0.1 each		
At 31st March 2005 and 30th September 2005	**50,000**	50,000

	Number of ordinary shares	HK$'000
Issued and fully paid:		
At 1st April 2005	**394,431,000**	**39,442**
Repurchase of ordinary shares	**(606,000)**	**(60)**
At 30th September 2005	**393,825,000**	**39,382**

12. Related party transactions and balances

(a) Transactions with related parties

	(Unaudited) Six months ended 30th September	
	2005	2004
	HK$'000	HK$'000
Rental income received from an associated company	**200**	203
Charges for administrative and management services, EDP support and equipment rental received from an associated company	**1,009**	1,027
Interest income received from an associated company	**485**	539
Printing and advertising charges received from an associated company	**251**	498
Advertising charges paid to an associated company	**63**	7
Consideration received from a minority shareholder for the disposal of partial interest in subsidiaries	**–**	8,921

(b) Key management compensation

	(Unaudited) Six months ended 30th September	
	2005	2004
	HK$'000	HK$'000
Basic salaries, housing allowances, other allowances and benefits in kind	**3,211**	3,226
Contributions to pension scheme	**141**	148
	3,352	3,374

(c) Related party balances

As at 30th September 2005, the outstanding loan due from Mr KAM Woon Ting, Keith, a director of a subsidiary of the Company, amounted to HK$730,000 (31st March 2005: HK$790,000). The loan was unsecured, interest-bearing at 3% per annum and repayable by monthly instalments. The maximum amount outstanding during the period was HK$790,000. No interest was due for the amount outstanding as at 30th September 2005 and 31st March 2005.

13. Subsequent event

On 18th October 2005, the shares of OMG, a subsidiary of the Company, were listed on the Main Board of the Stock Exchange. Thereafter, the Company's controlling interest in OMG was reduced to 44.3%.

FINANCIAL HIGHLIGHTS

- Turnover increased 4.4% to HK$660.9 million
- Gross profit margin remained stable at 26.7%
- Operating expenses increased 11.8% to HK$155 million, leading to a drop in profit from operations of 31.5%
- Profit after tax was HK$16.3 million as compared to HK$23.2 million in the same period last year
- Basic and diluted earnings per share were both HK3.9 cents

MANAGEMENT DISCUSSION AND ANALYSIS

Results summary

For the six months ended 30th September 2005, the Group's turnover amounted to HK$660.9 million, reflecting a moderate increase of 4.4% over the same period last year.

Publishing revenues, which accounted for 60% of the Group's turnover, increased by 4.5% over the same period last year to HK$399.3 million. The increase was mainly driven by the growth in advertising revenues in several key revenue categories, including property, travel, education, recruitment and brand name fashion and assessories.

Revenues from the Group's other business segment, travel and travel related services, also reported a 4.1% growth compared with the same period last year. The improved performance was attributable to the global economic recovery which fuelled demand for both business and leisure travel.

The Group's operating expenses increased by 11.8% to approximately HK$155 million, primarily due to higher staff costs and newsprint prices. Staff costs for the first six months increased by nearly 7% compared with the same period in 2004. The increase was due to a combination of an annual increment effective on 1st July 2005 and new hirings for the Group's lifestyle magazine business, which is being operated by the Group's newly listed subsidiary, OMG, in preparation for OMG's business expansion into Mainland China's magazine market. Newsprint costs, which constituted a major cost component of the Group's operations, increased by about 16% during the period. The recent upsurge of oil prices also caused an increase in the Group's operating costs, including delivery and tour operating costs.

The profit after tax for the same period last year included a one-off gain on disposal of partial interests in OMG and the write-back of a loan provision. Excluding the effect of these non-recurring items, the profit after tax for the first half year of 2004 would have been HK$17.3 million.

Publishing business

Advertising revenues for *Ming Pao Daily News'* in Hong Kong increased 5% over those of the same period last year. Revenues from *the Daily's* recruitment classified and education-related advertisements increased as a result of additional resources being allocated to promote these business categories. A solid position in the local market was maintained and revenues from all advertising sectors reported satisfactory growth. The improvement in advertising revenue was also attributable to the increase in property sales in Hong Kong which brought with it an increase in property advertising in the local media.

Besides the continual effort to provide innovative services to meet with advertisers' needs, *the Daily* also offers its customers with advertising packages bundled together with the Group's electronic media division, mingpao.com. This cross-platform business model was well received by advertisers, and led to an encouraging 46% increase in mingpao.com's online advertising revenues. The management is optimistic that these integrated print and online advertising packages will bring in more business for the Group.

The Daily is committed to enhancing its contents and updating its latest layout design of the various sections, including the finance columns, infotainment and life supplement pages, and has won positive acclaims from readers.

The Group's operations in North America also recorded steady growth during the period under review. Advertising revenues for *the Daily's* U.S. and Canada editions rose 14% mainly due to the improvement in travel, retail and property advertising while the Group's tour operations in North America registered a 13% increase in their combined turnover. Through improved execution of the strategy in brand building and leveraging the extensive sales and distribution networks in the U.S. and Canadian markets, the North American segment's results improved by more than 50% when compared to the same period last year.

Ming Pao Weekly, Hi-TECH Weekly and *City Children's Weekly*, the three consumer lifestyle magazines which are currently published in Hong Kong by the Group's subsidiary, OMG, reported improvements in their combined turnover and profit before interest and taxation compared to the corresponding period last year. OMG also has the right to sell advertising space in, and provide contents licensed from four internationally-renowned lifestyle magazines in Mainland China, namely, *Popular Science*, *Digital Camera*, *Top Gear* and *T3*. OMG's operations in Mainland China are still in the development stage, but in view of its fast growing Chinese-language lifestyle magazine market, OMG is planning to expand its operations in Mainland China. More new titles are being planned to be launched in the near future.

For the period under review, the Group changed its geographical segment disclosure by reporting the results of its operations in the U.S. and Canada as a North American segment instead of two geographical segments. This is considered to be a more appropriate presentation which can better reflect management responsibility as the North American operations are all under the supervision of one autonomous management team.

Travel business

During the period under review, revenues and segment results of the Group's tour business increased by 4.1% and 15% respectively over those of the corresponding period last year. The improvement was primarily driven by the strong growth on the inbound and outbound travel businesses in the North American market. However, increasing energy prices and labour costs may have an adverse impact on the profit margin of this business segment in the second half of the current financial year. In order to mitigate the effect of these adverse factors and to maintain its competitive edge in the industry, the Group's tour operator, Charming Holidays, will continue to explore and launch routes of new attractions and provide quality services to existing markets. At the same time, it will actively negotiate with airlines and land operators for lower airfares and accommodation costs.

Associated companies

During the period, *Yazhou Zhoukan*, a regional newsweekly operated by one of the Group's associated companies, reported a steady growth in its subscription sales which brought sustainable circulation income for the magazine.

OMG

On 18th October 2005, OMG, the Group's sole operating arm that focuses on Chinese-language lifestyle magazines in both Hong Kong and Mainland China, was successfully listed on the Main Board of the Stock Exchange. OMG is still a subsidiary of the Company, effectively owned as to 44.3% by the Group. Approximately HK$120 million was raised from the spin-off and the proceeds of the share offer will be used mainly for funding future potential acquisitions and strategic alliances, circulation-related and sales and marketing activities of new magazines.

For the period under review, OMG's contributions to the Group's turnover and profit were 13% and 9% respectively.

Outlook

The Group aims to become the dominant Chinese-language media group, bringing more innovative services to our readers worldwide. The successful spin-off and separate listing of OMG enables the Group to go beyond the Hong Kong market and tap into the vast potential lifestyle magazine market in Mainland China. The Group also plans to expand by focusing on its overseas newspaper editions.

The global economic outlook remains optimistic and the economic growth will continue to propel newspaper advertising, one of the major sources of revenues of the Group. We expect that the favourable market situation will continue into the second half of the current financial year.

However, the Group's publishing business will continue to face challenges in a very competitive operating environment, including the recent price wars in the Hong Kong and Canadian newspaper markets and the launches of several free dailies in Hong Kong. In addition, the rising interest rates and energy prices are expected to reduce growth in the property markets which will in turn affect the Group's advertising revenues.

With all these challenges ahead, the Group will continue to exert its drive to improve operation efficiencies and implement disciplined cost management while improving the qualities of its products and services. We are confident that with a strong balance sheet and operational cash flow, the Group is well positioned to take advantage of the opportunities for profitable growth across all our focus markets. Our view of the market development remains positive and we look confidently into 2006.

CAPITAL EXPENDITURE

The Group's total capital expenditure for fixed assets for the six months ended 30th September 2005 amounted to HK$4,713,000.

CONTINGENT LIABILITIES

As at 30th September 2005, the Company had contingent liabilities in respect of guarantees issued in favour of certain of its subsidiaries totalling HK$160,656,000 (31st March 2005: HK$163,820,000) in connection with general banking facilities granted to those subsidiaries. As at 30th September 2005, total facilities utilised amounted to HK$60,863,000 (31st March 2005: HK$48,595,000).

PLEDGE OF ASSETS

As at 30th September 2005, certain machinery and printing equipment, land and buildings and assets of certain subsidiaries with an aggregate value of HK$303,176,000 were pledged to banks to secure general banking facilities.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's revenues and costs are mainly denominated in HK dollars, Canadian dollars, US dollars and RMB. Since HK dollars is pegged to the US dollars and the RMB is pegged to a basket of foreign currencies, the Group does not foresee any substantial exposure to US dollars and RMB in this regard.

The Group's entities in Canada are not exposed to material foreign currency risks as all their major transactions and costs are denominated in Canadian dollars, the functional currency in which these entities operate.

FINANCIAL POSITION

As at 30th September 2005, the Group's net current assets amounted to HK$294,415,000 (31st March 2005: HK$277,275,000) and the shareholders' funds were HK$558,962,000 (31st March 2005: HK$558,812,000, as restated). Total bank borrowings and finance lease obligations were HK$77,152,000 (31st March 2005: HK$57,788,000) and the gearing ratio, which is defined as the ratio of total bank borrowings to shareholders' funds, was 0.1380 (31st March 2005: 0.1034, as restated).

The Group has a solid financial position and maintains a strong and steady cash inflow from operating activities. As at 30th September 2005, total cash balance was HK$226,573,000 (31st March 2005: HK$190,158,000) and net cash position was HK$149,421,000 (31st March 2005: HK$132,370,000) after deducting the total bank borrowings.

SHARE OPTION SCHEMES

Details of share options granted to certain directors and full time employees of the Group under the share option scheme (the "Scheme") of the Company and the Pre-IPO Scheme of its subsidiary, OMG, are as follows:

(a) Share option scheme of the Company

Pursuant to the Scheme approved at a special general meeting of the Company held on 21st August 2001, the directors of the Company may at their discretion invite full time employees including executive directors of the Company and its subsidiaries to take up options to subscribe for shares of the Company subject to the terms and conditions stipulated therein.

During the period, movements of the share options granted under the Scheme are as follows:

	Number of shares involved in share options								
Grantees	Balance at 1st April 2005	Granted during the period	Exercised during the period	Lapsed during the period (note)	Balance at 30th September 2005	Percentage of issued ordinary shares at 30th September 2005	Exercise price per share HK$	Date of grant	Exercisable period
Directors:									
Tan Sri Datuk TIONG Hiew King	300,000	–	–	–	300,000	0.08%	1.592	31/08/2001	01/09/2001 – 20/08/2011
Tan Sri Datuk TIONG Hiew King	300,000	–	–	–	300,000	0.08%	1.800	15/09/2003	16/09/2003 – 20/08/2011
Mr TIONG Kiu King	300,000	–	–	–	300,000	0.08%	1.592	31/08/2001	01/09/2001 – 20/08/2011
Mr TIONG Kiu King	300,000	–	–	–	300,000	0.08%	1.800	15/09/2003	16/09/2003 – 20/08/2011
Dr TIONG Ik King	300,000	–	–	–	300,000	0.08%	1.592	31/08/2001	01/09/2001 – 20/08/2011
Dr TIONG Ik King	300,000	–	–	–	300,000	0.08%	1.800	15/09/2003	16/09/2003 – 20/08/2011
Mr TIONG Kiew Chiong	300,000	–	–	–	300,000	0.08%	1.592	31/08/2001	01/09/2001 – 20/08/2011
Mr TIONG Kiew Chiong	300,000	–	–	–	300,000	0.08%	1.800	15/09/2003	16/09/2003 – 20/08/2011
	2,400,000	–	–	–	2,400,000	0.64%			
Full time employees	1,757,000	–	–	–	1,757,000	0.44%	1.592	31/08/2001	01/09/2001 – 20/08/2011
Full time employees	1,040,000	–	–	(30,000)	1,010,000	0.25%	1.320	29/08/2003	30/08/2003 – 20/08/2011
Total	5,197,000	–	–	(30,000)	5,167,000	1.33%			

Note: During the period, 30,000 share options have lapsed by reason of the grantees ceased to be full time employees of the Company or its subsidiaries.

SHARE OPTION SCHEMES *(CONTINUED)*

(b) Pre-IPO Scheme of OMG

OMG is an exempted company incorporated in the Cayman Islands with limited liability on 11th March 2005 whose shares have been listed on the Main Board of the Stock Exchange since 18th October 2005 and is a subsidiary of the Company owned as to 44.3% at date of this report.

Pursuant to the Pre-IPO Scheme conditionally approved at a special general meeting of the Company held on 26th September 2005 and conditionally approved and adopted by ordinary resolutions of the shareholders of OMG on the same date, options have been granted to certain directors and full time employees of the Company, OMG and their respective subsidiaries to subscribe for shares of OMG subject to the terms and conditions stipulated therein.

During the period, movements of the share options conditionally granted under the Pre-IPO Scheme are as follows:

	Number of shares involved in share options								
Grantees	Balance at 1st April 2005	Granted during the period	Exercised during the period	Lapsed during the period	Balance at 30th September 2005	Percentage of issued ordinary shares of OMG at date of this report	Exercise price per share HK$	Date of conditional grant	Exercisable period
Directors:									
Tan Sri Datuk TIONG Hiew King	–	1,250,000	–	–	1,250,000	0.31%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Mr TIONG Kiu King	–	1,250,000	–	–	1,250,000	0.31%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Dr TIONG Ik King	–	1,000,000	–	–	1,000,000	0.25%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Mr TIONG Kiew Chiong	–	1,250,000	–	–	1,250,000	0.31%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Mr David YU Hon To	–	150,000	–	–	150,000	0.04%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Mr TANG Ying Yu	–	150,000	–	–	150,000	0.04%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Mr Victor YANG	–	150,000	–	–	150,000	0.04%	1.200	27/09/2005	18/10/2005 – 25/09/2015
	–	5,200,000	–	–	5,200,000	1.30%			
Full time employees	–	9,480,000	–	–	9,480,000	2.37%	1.200	27/09/2005	18/10/2005 – 25/09/2015
Total	–	14,680,000	–	–	14,680,000	3.67%			

PARTICULARS OF INTERESTS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

As at 30th September 2005, the interests of the directors, chief executives and their associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance ("SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") are as follows:

(a) Interests in shares and underlying shares in the Company

	Number of shares/underlying shares held						Percentage
Name of director	Personal interests	Family interests	Corporate interests (note 1)	Total interests in shares	Interest in underlying shares pursuant to share options (note 2)	Aggregate interests	of issued ordinary shares of the Company at 30th September 2005
Tan Sri Datuk TIONG Hiew King	150,000	–	252,487,700	252,637,700	600,000	253,237,700	64.30%
Dr TIONG Ik King	–	–	252,487,700	252,487,700	600,000	253,087,700	64.26%
Mr TIONG Kiu King	611,000	147,000	–	758,000	600,000	1,358,000	0.34%
Mr TIONG Kiew Chiong	1,200,000	–	–	1,200,000	600,000	1,800,000	0.46%

Notes:

1 The corporate interests of Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King in the Company are jointly held through Conch Company Limited ("Conch") which holds 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King. In addition, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

2 These represent share options granted by the Company to the directors under the Scheme to subscribe for shares of the Company.

PARTICULARS OF INTERESTS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES *(CONTINUED)*

(b) Interests in shares and underlying shares in OMG

	Number of shares/underlying shares held						Percentage of issued ordinary shares of OMG at date of this report
Name of director	Personal interests	Family interests	Corporate interests	Total interests in shares	Interest in underlying shares pursuant to share options (note)	Aggregate interests	
Tan Sri Datuk TIONG Hiew King	–	–	–	–	1,250,000	1,250,000	0.31%
Mr TIONG Kiu King	–	–	–	–	1,250,000	1,250,000	0.31%
Dr TIONG Ik King	–	–	–	–	1,000,000	1,000,000	0.25%
Mr TIONG Kiew Chiong	–	–	–	–	1,250,000	1,250,000	0.31%
Mr David YU Hon To	–	–	–	–	150,000	150,000	0.04%
Mr TANG Ying Yu	–	–	–	–	150,000	150,000	0.04%
Mr Victor YANG	–	–	–	–	150,000	150,000	0.04%

Note: These represent share options granted by OMG to the directors of the Company under the Pre-IPO Scheme conditionally approved by the Company and conditionally approved and adopted by OMG on 26th September 2005 to subscribe for shares of OMG.

Save as disclosed above and those disclosed under "Share Option Schemes", at 30th September 2005, none of the directors, chief executives and their associates had any interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Apart from the share option schemes, at no time during the period were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 30th September 2005, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares of the Company at 30th September 2005
Conch Company Limited (note 1)	252,487,700	64.11%
Dr Louis CHA (note 2)	40,463,400	10.27%

All the interests stated above represent long positions in the shares of the Company.

Notes:

1 Conch Company Limited ("Conch") owns 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King. In addition, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

2 Dr Louis CHA beneficially owns 38,798,400 shares of the Company and Snowdrop Limited, a company wholly owned by Dr Louis CHA, owns 1,665,000 shares of the Company.

Save as disclosed above and those disclosed under "Particulars of Interests held by Directors, Chief Executives and Their Associates", the Company had not been notified of any other interests representing 5% or more of the issued share capital of the Company at 30th September 2005.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the period, the Company repurchased a total of 606,000 of its listed shares on 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 ordinary shares repurchased	Purchase price per share Highest	Purchase price per share Lowest	Aggregate purchase consideration
		HK$	HK$	HK$
July 2005	413,000	1.75	1.60	699,432
August 2005	153,000	1.62	1.58	243,750
September 2005	40,000	1.59	1.57	62,912
	606,000			1,006,094

All the repurchased shares were cancelled during the period. 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 profits to the capital redemption reserve.

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

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Thursday, 29th December 2005 to Wednesday, 4th January 2006, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend of HK3 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 G/F, Bank of East Asia Harbour View Centre, 56 Gloucestor Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 28th December 2005.

EMPLOYEES

As at 30th September 2005, the Group has approximately 1,570 employees (31st March 2005: approximately 1,470 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.

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.

On 1st January 2005, the Code of Best Practice was replaced by the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules. The Company adopted all the code provisions in the Code as its own code on corporate governance practices.

During the period under review, the Company has met the code provisions (those which became effective for accounting periods beginning on or after 1st January 2005) as set out in the Code except for the code provision A.2.1 that the roles of the chairman and the chief executive officer ("CEO") should be separate and should not be performed by the same individual.

The Board has on 13th December 2005 approved and adopted a memorandum relating to the division of responsibilities between the chairman and the CEO and appointed Mr TIONG Kiew Chiong as the CEO of the Company.

AUDIT COMMITTEE

The Company's Audit Committee has been established since 1999 and is composed of the three independent non-executive directors, Mr TANG Ying Yu, Mr David YU Hon To and Mr Victor YANG.

The Audit Committee meets regularly with the management and the external auditors to discuss the audit process and accounting issues, and reviews the effectiveness of internal controls. The written terms of reference which specify the authorities and duties of the Audit Committee are regularly reviewed and updated by the Board.

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 financial report for the six months ended 30th September 2005.

REMUNERATION COMMITTEE

The Company's Remuneration Committee was established on 25th May 2005 with specific terms of reference that specify its authorities and duties. The current members of the committee are the Company's three independent non-executive directors, Mr TANG Ying Yu, Mr David YU Hon To and Mr Victor YANG, and an executive director, Mr TIONG Kiew Chiong. The Remuneration Committee is responsible for the review of the Company's policies for the remuneration of its directors and senior management and the making of any recommendations in relation to such policies to the Board.

NOMINATION COMMITTEE

The Company's Nomination Committee was established on 25th May 2005 with specific terms of reference that specify its authorities and duties. The current members of the committee are the Company's three independent non-executive directors, Mr TANG Ying Yu, Mr David YU Hon To and Mr Victor YANG, and an executive director, Mr TIONG Kiew Chiong. The Nomination Committee's responsibilities include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board of directors of 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 their compliance with the required standard set out in the Model Code during the period from 1st April 2005 to 30th September 2005.

By Order of the Board
TIONG Kiew Chiong
Director

Hong Kong, 13th December 2005