明報

MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2007

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 2007 are as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		(Unaudited) Six months ended 30th September	
		2007	2006
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**777,937**	735,511
Cost of goods sold		**(579,163)**	(543,810)
Gross profit		**198,774**	191,701
Other income		**8,168**	7,463
Other gains, net		**4,480**	3,132
Selling and distribution expenses		**(107,921)**	(105,972)
Administrative expenses		**(70,369)**	(68,196)
Other operating expenses		**(10,037)**	(9,296)
Operating profit	*4*	**23,095**	18,832
Finance costs	*5*	**(1,444)**	(1,979)
Profit before income tax		**21,651**	16,853
Income tax expense	*6*	**(6,758)**	(1,759)
Profit for the six months		**14,893**	15,094
Attributable to:			
Equity holders of the Company		**14,281**	16,265
Minority interests		**612**	(1,171)
		14,893	15,094
Earnings per share for profit attributable to the equity holders of the Company, expressed in HK cents			
– Basic	*7*	**3.5 cents**	4.0 cents
– Diluted	*7*	**3.5 cents**	4.0 cents
Dividends	*8*	**(8,056)**	(28,314)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	(Unaudited) 30th September 2007 HK$'000	(Audited) 31st March 2007 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**162,997**	158,835
Leasehold land and land use rights		**106,490**	107,845
Intangible assets		**65,976**	67,028
Financial assets at fair value through profit or loss		**–**	7,552
Defined benefit plan's assets		**11,148**	11,028
Deferred income tax assets		**9,127**	10,594
		355,738	362,882
Current assets			
Inventories		**37,706**	56,862
Available-for-sale financial assets		**4,698**	4,698
Financial assets at fair value through profit or loss		**2,318**	1,957
Trade and other receivables	*9*	**273,350**	232,544
Income tax recoverable		**1,589**	4,697
Cash and cash equivalents		**301,500**	277,760
		621,161	578,518
Current liabilities			
Trade and other payables	*10*	**209,038**	198,075
Income tax liabilities		**5,366**	3,190
Short-term bank loans		**–**	6,711
Bank overdrafts, secured		**21,966**	19,695
Current portion of long-term liabilities		**5,159**	6,091
		241,529	233,762
Net current assets		**379,632**	344,756
Total assets less current liabilities		**735,370**	707,638
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**40,423**	40,443
Share premium		**104,282**	104,737
Other reserves		**20,391**	11,256
Retained earnings			
– Proposed dividend		**8,056**	–
– Others		**481,171**	474,987
		654,323	631,423
Minority interests		**56,500**	55,382
Total equity		**710,823**	686,805
Non-current liabilities			
Long-term liabilities		**9,365**	6,263
Deferred income tax liabilities		**15,182**	14,570
		735,370	707,638

Notes:

1 Basis of preparation

The unaudited condensed consolidated interim financial information ("Interim Financial Information") for the six months ended 30th September 2007 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

This Interim Financial Information should be read in conjunction with the Group's annual financial statements for the year ended 31st March 2007.

2 Accounting policies

The accounting policies adopted are consistent with those used in the annual financial statements for the year ended 31st March 2007 with the addition of the following new standards and interpretations to existing standards which are relevant to the Group's operations and are mandatory for the financial year ending 31st March 2008.

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. The Group has applied IFRS 7 from 1st April 2007 to comply with the new disclosure requirement. The adoption of this standard does not result in material changes to the Group's results of operations and financial position.

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 has applied IFRIC-Int 10 from 1st April 2007 to comply with the new interpretation. The adoption of this interpretation does not result in material changes to the Group's results of operations and financial position.

There is also a number of new standards, amendments to standards and interpretations issued that are not yet effective for the financial year ending 31st March 2008. The Group has carried out a preliminary assessment of these standards, amendments and interpretations and considered that IAS 23 (Revised) and IFRIC-Int 12 may not have any significant impact on the Group's results of operations and financial position but a detailed assessment is still being carried on. The Group is also in the process of assessing the impact of IFRS 8, IFRIC-Int 13 and IFRIC-Int 14.

3 Segment information

Primary reporting format – business segments

Analysis of the Group's revenue and results for the period by business segment is as follows:

	(Unaudited) Six months ended 30th September					
	Publishing		**Travel and travel related services**		**Group**	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	**441,673**	435,737	**336,264**	299,774	**777,937**	735,511
Segment results	**7,434**	7,270	**10,203**	6,570	**17,637**	13,840
Interest income					**6,251**	5,888
Net unallocated expenses					**(793)**	(896)
Operating profit					**23,095**	18,832
Finance costs					**(1,444)**	(1,979)
Profit before income tax					**21,651**	16,853
Income tax expense					**(6,758)**	(1,759)
Profit for the six months					**14,893**	15,094

Secondary reporting format – geographical segments

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

	(Unaudited) Revenue Six months ended 30th September		(Unaudited) Segment results Six months ended 30th September	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**463,715**	434,032	**36,268**	34,937
North America	**289,818**	272,037	**(3,252)**	(7,168)
Mainland China	**24,404**	29,442	**(8,979)**	(7,388)
	777,937	735,511	**24,037**	20,381
Interest income			**6,251**	5,888
Net unallocated expenses			**(7,193)**	(7,437)
Operating profit			**23,095**	18,832
Finance costs			**(1,444)**	(1,979)
Profit before income tax			**21,651**	16,853
Income tax expense			**(6,758)**	(1,759)
Profit for the six months			**14,893**	15,094

4 Operating profit

The following items have been charged to the operating profit during the interim period:

	(Unaudited) Six months ended 30th September	
	2007	2006
	HK$'000	*HK$'000*
Raw materials and consumables used	**107,569**	113,679
Amortisation of leasehold land and land use rights	**1,355**	1,356
Amortisation of intangible assets	**1,052**	1,052
Depreciation		
– Owned property, plant and equipment	**13,070**	12,235
– Leased property, plant and equipment	**560**	734
Employee benefit expense (including directors' emoluments)	**197,145**	186,750

5 Finance costs

	(Unaudited) Six months ended 30th September	
	2007	2006
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts	**1,124**	1,715
Interest element of finance lease payments	**320**	264
	1,444	1,979

6 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the period. Taxation on overseas profits is calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	(Unaudited) Six months ended 30th September	
	2007	2006
	HK$'000	*HK$'000*
Hong Kong profits tax		
– Current period	**3,736**	3,868
– Over provision in prior years	**(2)**	–
Overseas taxation		
– Current period	**945**	2,847
– Over provision in prior years	–	(141)
Deferred income tax expense/(credit)	**2,079**	(4,815)
	6,758	1,759

7 Earnings per share

Basic earnings per share is calculated by dividing the Group's unaudited profit attributable to equity holders of the Company for the period of HK$14,281,000 (2006: HK$16,265,000) by the weighted average number of 404,481,224 (2006: 404,969,617) ordinary shares in issue during the period.

Diluted earnings per share is based on 405,368,036 (2006: 405,011,191) ordinary shares which is the weighted average number of ordinary shares in issue during the period plus the weighted average number of 886,812 (2006: 41,574) 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 Dividends

	(Unaudited) Six months ended 30th September	
	2007	2006
	HK$'000	*HK$'000*
Final, Nil (2006: HK4 cents per ordinary share, paid)	–	16,185
Interim, declared, of HK**2** cents per ordinary share (2006: HK3 cents per ordinary share, paid)	**8,056**	12,129
	8,056	28,314

The directors have declared an interim dividend of HK2 cents (2006: HK3 cents) per ordinary share payable on 15th January 2008 to shareholders whose names appear on the register of members of the Company on 8th January 2008.

9 Trade and other receivables

Included in trade and other receivables are trade receivables and their ageing analysis is as follows:

	(Unaudited) 30th September 2007	(Audited) 31st March 2007
	HK$'000	*HK$'000*
0 to 60 days	**135,234**	115,061
61 to 120 days	**48,019**	48,084
121 to 180 days	**16,753**	14,332
Over 180 days	**6,204**	8,340
	206,210	185,817

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

10 Trade and other payables

Included in trade and other payables are trade payables and their ageing analysis is as follows:

	(Unaudited) 30th September 2007 *HK$'000*	(Audited) 31st March 2007 *HK$'000*
0 to 60 days	**76,695**	65,317
61 to 120 days	**4,676**	4,892
121 to 180 days	**1,252**	1,136
Over 180 days	**2,231**	2,063
	84,854	73,408

MANAGEMENT DISCUSSION AND ANALYSIS

Results overview

For the six months ended 30th September 2007, the Group recorded a 6% increase in top-line revenue to HK$777,937,000, compared to the same period in 2006. The increase was mainly attributable to the growth in advertising income and revenues from the Group's tour business.

The Group achieved an operating profit of HK$23,095,000 for the period under review. This represented a strong increase of 23% over the HK$18,832,000 for the corresponding period in 2006. The bulk of the profit improvement came from the improved performance by One Media Group ("OMG"), which achieved a moderate, yet important turnaround and posted a profit before income tax of HK$3,341,000 for the six months ended 30th September 2007 compared to a loss before income tax of HK$3,193,000 over the same period in 2006. The Group's tour business and the Canadian newspaper editions were also key contributors to the increased profits. In addition to the continued keen competition from free daily newspapers and other local newspapers, the Hong Kong edition also faced increasing pressures from rising operating and labour costs. This led to a slight reduction in its profit contribution to the Group for the period.

Income tax expense for the current period was higher than that of the corresponding period by about HK$5 million, caused mainly by the recognition in the corresponding period of a one-off deferred tax credit of HK$5.2 million in relation to the Group's Internet business. As a result, current period's profit attributable to the Company's equity holders of HK$14,281,000 was lower than that of last year's HK$16,265,000. Earnings per share was HK3.5 cents (2006: HK4.0 cents).

Newspapers and Internet Division

Ming Pao Daily News

Hong Kong's economy continues its robust performance during the interim period. With a low unemployment rate and positive market sentiment, consumer spending grew significantly. This led to an increase in overall advertising spending and readership for the newspaper market. However, the free daily newspapers captured a portion of the advertising pie and competition in the market remained keen during the period.

Ming Pao Daily News remains the Group's major income source. With its quality content and solid reputation, *Ming Pao Daily News* was able to maintain stable growth momentum in advertising revenue, especially from banking, finance, education and brand labels segments, despite the competitive pressure from the free daily newspapers. Its recruitment classified section, "JUMP", also experienced a healthy increase in turnover. In addition, *Ming Pao Daily News'* circulation has remained fairly stable over the six-month period under review.

The robust economic conditions in Hong Kong also led to upward pressure on all operating costs and wages, even though the lower newsprint costs during the period managed to offset part of the increase.

Overseas Editions of Ming Pao Daily News

The overseas newspaper operations have made satisfactory progress during the period under review, with combined turnover growing by 3%. The improvement was mainly attributable to the restructuring that has been carried out since last year and the various cost control measures in the North American operations.

The Group started a free newspaper in San Francisco in February 2007 which was well-received by the readers. Following the success in San Francisco, free newspapers have been launched twice a week in Vancouver and Toronto since May and July respectively. More recently, the New York free daily edition was also launched in October. These free newspapers are found to be well received by the readers as well as the advertisers. These new editions are currently in an investment phase, but with the encouraging initial responses to their launches, it is expected that they will soon generate synergies on the advertising front by offering a bundle of promotion packages with the paid editions.

Mingpao.com

Mingpao.com offers readers quality information, real time news and online education services. In line with the Group's strategy to cater to the specific needs of the market, the portals "mpfinance.com" and "OL.mingpao.com" are continuously being revamped with comprehensive coverage of information on property market, wealth management, cosmetic, fashion and entertainment, targeting young and female readers.

The Group's effort to enhance the content of the online version was welcomed by both readers and advertisers. This followed the Group's cross-media strategy to combine advertising sales of both *Ming Pao Daily News* and mingpao.com. This has brought in more cross-selling opportunities in return and boosted both the Internet revenues and operating profit.

Magazines Division

Yazhou Zhoukan

With the enhancement of its content, *Yazhou Zhoukan* continues to develop in a stable and satisfactory manner. Its advertising revenue during the period achieved a double-digit growth while its circulation revenue grew by a modest 4%. To unlock the magazine's market potential in Hong Kong and Mainland China, the Group has planned to launch a number of marketing activities in the second half of the fiscal year and the local sales team will be further strengthened to focus on business in the Greater China region.

One Media Group ("OMG")

OMG currently publishes *Ming Pao Weekly, Hi-Tech Weekly* and *City Children's Weekly* in Hong Kong. It also has the right to sell advertising space in and provide content to magazines in Mainland China, including *Popular Science科技新時代*, *Top Gear汽車測試報告* and *MING明日風尚*.

For the six months ended 30th September 2007, OMG reported a consolidated turnover of HK$101,189,000, representing a decrease of 2% compared with the corresponding period last year. Despite the slight drop in turnover, OMG achieved a turnaround from a loss before income tax of HK$3,193,000 in the same period last year to a profit before income tax of HK$3,341,000 for the current period. This positive change was attributable to the strategic initiatives implemented by management in an effort to streamline the business and focus on areas that provide positive returns while maintaining effective cost control measures.

Flagship title *Ming Pao Weekly* continues to maintain its popularity among readers as well as advertisers and provides a solid contribution to OMG's results. Advertisers have benefited from both "Compact" and "Classic" editions, as the different platforms allow advertisers to reach a larger and more diverse readership. Meanwhile, *MING明日風尚* continues to enjoy its positioning as a leading lifestyle and fashion title in Mainland China.

Travel and Travel Related Services

Amid the strong economic growth and better consumer sentiment, the Group's travel business continues to perform well with double-digit growth in turnover compared to the same period last year; the segment results recorded an impressive growth of 55% to HK$10,203,000. This growth was attributable to contributions from European tours benefited by the improved economic climate in Hong Kong as well as revenues from the newly established Shenzhen office. The tour operations in North America also recorded improved results. However, facing the weakening Hong Kong dollar, tight supply of airlines seats, increasing fuel surcharges on airfares and intense market competition, the Group will endeavor to limit operating overhead costs in the coming months in an attempt to maintain its competitiveness in the market.

Outlook

Looking ahead, Hong Kong's economic prospects look positive despite the recent volatility in the stock market and the escalating fuel prices. With the low interest environment, the property market in Hong Kong is expected to maintain its growth momentum. All this will continue to be a strong driver for the advertising market. Meanwhile, the increasing pressure from market competition, high material costs and rising wages will be new challenges for the second half of the fiscal year. In light of these factors, the Group will maintain its strategy of maximising operational efficiency and better utilising resources to enhance its overall profitability.

Encouraged by the positive feedback from readers as well as advertisers for its North American free newspapers launched during the period, management is optimistic about the prospects of the free newspapers and it is expected that they will bring positive contributions to the Group in future.

OMG has managed to turn from a loss to profit. It is notable that this was achieved during a period that is usually not the most favourable for the industry in terms of revenue generation. In view of the strong economic growth, OMG is expected to perform well in the second half of the fiscal year.

The proposed merger between the Company and the two Malaysian listed companies, Sin Chew Media Corporation Berhad and Nanyang Press Holdings Berhad, is progressing on track. This merger is a huge step forward for the Group towards its strategy of forming a global Chinese language multimedia platform. The proposed merger has already been approved by the independent shareholders of the Company and the required listing approval has also been granted by The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Securities Commission of Malaysia and the Ministry of International Trade and Industry also granted their approvals to the proposed merger in November 2007 subject to the fulfilment of certain conditions. Upon completion of the merger, the Company will be listed on both the Hong Kong Stock Exchange and Bursa Malaysia Securities Berhad. It is believed that the dual listing status will allow investors in both Hong Kong and Malaysia to participate in the equity of the Company, and enhance the profile of the Group amongst international investors.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment for the six months ended 30th September 2007 amounted to HK$12,471,000.

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 of the economic environment in which these entities operate.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30th September 2007, the Group's net current assets amounted to HK$379,632,000 (31st March 2007: HK$344,756,000) and the total equity attributable to the equity holders of the Company was HK$654,323,000 (31st March 2007: HK$631,423,000). Total bank borrowings and finance lease obligations were HK$35,033,000 (31st March 2007: HK$37,303,000) and the gearing ratio, which is defined as the ratio of total bank borrowings to the total equity attributable to the equity holders of the Company, was 0.054 (31st March 2007: 0.059).

As at 30th September 2007, the Group's total cash balance was HK$301,500,000 (31st March 2007: HK$277,760,000) and net cash position was HK$266,467,000 (31st March 2007: HK$240,457,000) after deducting the total bank borrowings.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the period, the Company repurchased a total of 416,000 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$*	*HK$*
September 2007	416,000	1.95	1.81	780,660

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 Wednesday, 2nd January 2008 to Tuesday, 8th January 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the 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, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 31st December 2007.

EMPLOYEES AND EMOLUMENT POLICY

As at 30th September 2007, the Group has approximately 1,550 employees (31st March 2007: approximately 1,550 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.

The Company has adopted all the code provisions in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules as its own code on corporate governance practices.

During the period under review, 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 period.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with management the unaudited condensed consolidated interim financial information of the Group for the six months ended 30th September 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, 17th December 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.