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SING TAO NEWS CORPORATION LIMITED

星島新聞集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1105)

DISCLOSEABLE TRANSACTION AND DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES

The board of directors of the Company wishes to announce that on 28 April 2005, GCIS, Sanlian Electronics and Sanlian Group entered into the Framework Agreement which sets out, among others, (1) the terms by which the Group will make a payment of RMB30,000,000 to Sanlian Electronics in settlement of the amount of RMB117,600,000 owing by the Group to Sanlian Electronics and all other payment obligations by the Group under the Joint Venture Contract, and (2) the terms for a loan of RMB60,000,000 to be given by the Group to Sanlian Group as part of the settlement arrangement, which is secured by the Share Charge.

The granting of the Loan pursuant to the Framework Agreement constitutes a discloseable transaction under the Listing Rules. A circular giving further details thereof will be dispatched to the shareholders of the Company as soon as practicable. Moreover, the Loan will exceed 8% of the consideration ratio in Chapter 14 of the Listing Rules and is thus required to be disclosed under Rule 13.13 of the Listing Rules as an “advance to an entity”.

BACKGROUND – THE JOINT VENTURE CONTRACT

On 25 September 2000, Sing Tao News Corporation Limited (the “Company”), through a wholly-owned subsidiary, Global China Information Services Limited (formerly known as Pure Energy Technology Limited) (“GCIS”), entered into a joint venture contract (the “**Joint Venture Contract**”) with Shandong Sanlian Electronics and Information Co., Ltd. (山東三聯電子信息有限公司) (“**Sanlian Electronics**”) and another independent third party to acquire a 40% interest in Beelink Information Technology Co., Ltd. (百靈信息科技有限公司) (“**JV Co.**”), a sino-foreign equity joint venture in Shandong Province, the People’s Republic of China (the “PRC”). The remaining interests in the JV Co. are owned as to 50% by Sanlian Electronics and 10% by the independent third party.

The principal activities of JV Co. are to provide technical support and consulting services on hi-technology business. JV Co. provides comprehensive technical support which covers research and development, production and sales of network products and software applications, system integration, information technology consulting, training and support services to Sanlian Electronics. Sanlian Electronics operates certain broadband multimedia network in Jinan City, Shandong Province, the PRC.

Pursuant to the Joint Venture Contract, the Company and its subsidiaries (the “Group”) agreed to invest approximately RMB263,000,000 in JV Co., which included a capital contribution of US\$11,960,000 into JV Co. and a sum of RMB160,000,000 payable to Sanlian Electronics in cash as consideration for Sanlian Electronics injecting certain intellectual property rights into JV Co.

The Group had already made the capital contribution of US\$11,960,000 into JV Co. The Group had also made part payment in the amount of RMB42,400,000 to Sanlian Electronics in consideration for its injection of the intangible assets. Under the Joint Venture Contract, it was agreed that the remaining RMB117,600,000 owing to Sanlian Electronics would be paid by the Group at the end of five years from the date on which JV Co. obtained its business license, i.e. on or before 8 December 2005.

The above details relating to the Joint Venture Contract were announced as a discloseable transaction by the Company on 26 September 2000.

As the amount of RMB117,600,000 owing by the Group to Sanlian Electronics will soon be required to be paid at the end of this year, the Group and Sanlian Electronics have entered into a framework agreement (the “Framework Agreement”) to arrange for settlement of the sum.

THE FRAMEWORK AGREEMENT

Date: 28 April 2005

Parties: (1) GCIS
(2) Sanlian Electronics
(3) Sanlian Group Corporation (山東三聯集團有限責任公司) (“**Sanlian Group**”)

The Framework Agreement sets out, among others, (1) the terms for settlement of the amount of RMB117,600,000 owing by the Group to Sanlian Electronics under the Joint Venture Contract, and (2) the terms for a new secured loan to be given by the Group to Sanlian Group.

(1) Settlement under the Joint Venture Contract

Pursuant to the Framework Agreement, it was agreed that by the payment of RMB30,000,000 by the Group to Sanlian Electronics as consideration for the injection of the intangible assets into JV Co., Sanlian Electronics will waive the remaining RMB87,600,000 owing by the Group. It was agreed that such payment will constitute full settlement of the Group’s payment obligations under the Joint Venture Contract.

(2) Secured Loan

In addition, as consideration for Sanlian Electronics agreeing to settle the outstanding amount owing by the Group pursuant to the Framework Agreement as described in (1) above, it was agreed that the Group will procure a loan to Sanlian Group in the amount of RMB60,000,000 (the “**Loan**”) for a term of one year. The Loan may be provided by a PRC bank through appropriate arrangement with the Group.

The Loan will be interest-free for the first six months from the initial draw down. Thereafter, the Loan will be at an interest rate of 3% per annum from the beginning of the seventh month until the repayment date on 28 April 2006. In the event that the Loan and accrued interest are not repaid in full on the repayment date, default interest will be charged at the rate of 6% per annum.

The Loan will be secured by way of a share charge (the “**Share Charge**”) over Sanlian Group’s and Sanlian Electronics’ interests of approximately 79.1% in aggregate in the registered capital of Shandong Economic Observer Press Co. Ltd. (山東經濟觀察報報業有限公司) (formerly known as Shandong Yuanchuang Press Development Co. Ltd. (山東元創報業發展有限責任公司)) (“**Shandong Co.**”), a limited liability company established under PRC law. In the event that Sanlian Group fails to repay any part of the Loan and accrued interest by the repayment date or in the event of breach of the terms of the Framework Agreement and Sanlian Group fails to repay the Loan and accrued interest within seven days after repayment demand made by the Group, the Group has the right to enforce the Share Charge. The Group and Sanlian Group will arrange to complete all necessary procedures to facilitate the Loan and the Share Charge within two months after the date of the Framework Agreement.

PRINCIPAL BUSINESS ACTIVITIES OF SANLIAN ELECTRONICS, SANLIAN GROUP AND SHANDONG CO.

Sanlian Electronics is a limited liability company established under the PRC law and its principal business activities include the ownership and operation of a broadband multimedia network in Jinan City, Shandong Province, the PRC. Sanlian Electronics is owned as to 91% by Sanlian Group.

Sanlian Group is a limited liability company established under the PRC law. The principal activities of Sanlian Group include property development and trading of home and office appliances.

The principal business activities of Shandong Co. include advertising and circulation operations of The Economic Observer, a newspaper published in the PRC.

None of Sanlian Electronics, Sanlian Group or Shandong Co. is connected with any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them.

PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP

The Group is principally engaged in (i) media ownership and services which comprise newspaper, magazine and book publishing and the provision of media-related services, (ii) human capital management which comprises recruitment and continuing education media and corporate training services, and (iii) broadband technology and services.

REASONS FOR GRANTING THE LOAN

In consideration for Sanlian Electronics agreeing to waive the remaining amount of RMB87,600,000 owing by the Group and to settle all other payment obligations by the Group under the Joint Venture Contract, the directors of the Company consider that it is beneficial to the Group to grant the Loan to Sanlian Group. In particular, as additional comfort to the Group, Sanlian Group will enter into the Share Charge to secure the repayment of the Loan.

The Framework Agreement is essentially an agreement for settlement among the shareholders of the JV Co. and does not affect the business operations and financial position of JV Co.

NATURE OF THE TRANSACTION

The granting of the Loan pursuant to the Framework Agreement constitutes a discloseable transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). A circular giving further details thereof will be dispatched to the shareholders of the Company as soon as practicable.

Moreover, the Loan will exceed 8% of the consideration ratio in Chapter 14 of the Listing Rules and is thus required to be disclosed under Rule 13.13 of the Listing Rules as an “advance to an entity”.

By order of the Board
Sing Tao News Corporation Limited
Charles Ho Tsu Kwok
Chairman

Hong Kong, 28 April 2005

** For identification purpose only*

As at the date of this announcement, the Board comprises: (1) executive directors: Mr. HO Tsu Kwok Charles (Chairman), Mr. JIA Hongping, Mr. JIM Sui Hing, Mr. LAI Ting Yiu, Mr. LO Wing Hung, Mrs. SY Wong Chor Fong, Mr. YANG Yiu Chong Ronald Jeffrey; (2) non-executive director: Mr. LEUNG Chun Ying and (3) independent non-executive directors: Mr. Timothy David DATTELS, Ms. HO Chiu King Pansy Catilina, Mr. KING Richard Yun Zing, Dr. TONG Yuk Lun, Paul and Mr. TUNG Chee Chen.

“Please also refer to the published version of this announcement in The Standard”