

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SING TAO NEWS CORPORATION LIMITED

星島新聞集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 1105)

PROPOSAL FOR CONSOLIDATION OF SHARES

The Board announces that it proposes to consolidate every two Shares into one share of HK\$0.2 each in the share capital of the Company. The existing board lot size of 2,000 Shares for trading on the Stock Exchange will remain unchanged after the proposed Shares Consolidation becoming effective.

The proposed Shares Consolidation is subject to fulfillment of all the conditions set out in the paragraph headed “Conditions of the Shares Consolidation” below.

A circular containing details of, among other things, the Shares Consolidation will be despatched to the Shareholders as soon as practicable.

PROPOSED SHARES CONSOLIDATION

The Board announces that it proposes to consolidate every two Shares into one share of HK\$0.2 each in the share capital of the Company.

As at the date of this announcement, the authorised share capital of the Company is HK\$600,000,000 divided into 6,000,000,000 Shares of which 1,774,097,074 Shares have been issued and fully paid. Immediately after the proposed Shares Consolidation has become effective, the authorised share capital of the Company will be HK\$600,000,000 divided into 3,000,000,000 Consolidated Shares of which 887,048,537 Consolidated Shares will have been in issue (assuming that there are no changes in the share capital of the Company from the date of this announcement and up to the Effective Date) and fully paid.

The Consolidated Shares will rank pari passu in all respects with each other and the Shares Consolidation will not result in any change in the respective rights of the Shareholders.

The existing board lot size of 2,000 Shares for trading on the Stock Exchange will remain unchanged after the proposed Shares Consolidation becoming effective.

Pursuant to the share option schemes of the Company, the relevant exercise prices applicable to all outstanding options granted by the Company under the share option schemes will be adjusted as a result of the Shares Consolidation by a factor which the Company's auditors will have certified as being, in their opinion, fair and reasonable. It is expected that the exercise price will, in each case, be increased by the same two-fold factor as the Shares Consolidation. Adjustment (if any) to the share options will be made in compliance with Chapter 17 of the Listing Rules and the Supplementary Guidance on Main Board Listing Rule 17.03(13) / GEM Listing Rule 23.03(13) and the note immediately after the rule issued by the Stock Exchange on 5 September 2005. The Company will make announcement relating to adjustment (if any) to the share options when appropriate.

ARRANGEMENTS ON ODD LOT TRADING AND FRACTIONAL SHARES

In order to facilitate the trading of odd lots of the Consolidated Shares, the Company will appoint China Everbright Securities (HK) Limited as its agent in providing a "matching service" on best effort basis to those Shareholders who wish to top-up their odd lots to a board lot of 2,000 Consolidated Shares or to dispose of their holdings of odd lots of the Consolidated Shares. Holders of the Consolidated Shares in odd lots who wish to take advantage of this trading facility may directly or through their brokers, contact Mr. Willy Sam of China Everbright Securities (HK) Limited at 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (telephone number: (852) 2530 8287) during the period from Thursday, 18 May 2006 to Friday, 23 June 2006, both days inclusive.

Shareholders should note that as successful matching of the sale and purchase of odd lots of the Consolidated Shares will depend on there being adequate amounts of odd lots of the Consolidated Shares for the matching, it is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in any doubt about the arrangement on odd lots trading described above.

Where the Shares Consolidation may give rise to fractions of Consolidated Shares, such fractional shares will be aggregated and sold, and the net proceeds will be retained for the benefit of the Company.

EXPECTED TIMETABLE

Despatch of circular together with the notice of AGM	Wednesday, 26 April 2006
Latest time for lodging the form of proxy in respect of the AGM	3:30 p.m. on Monday, 15 May 2006
AGM	3:30 p.m. on Wednesday, 17 May 2006
Effective Date of the Shares Consolidation	Thursday, 18 May 2006
Original counter for trading in Shares in board lots of 2,000 Shares temporarily closes	9:30 a.m. on Thursday, 18 May 2006
Temporary counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:30 a.m. on Thursday, 18 May 2006
Original counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of new share certificates) re-opens	9:30 a.m. on Friday, 2 June 2006
Parallel trading in Consolidated Shares in the form of existing and new share certificates commences	9:30 a.m. on Friday, 2 June 2006
Parallel trading in Consolidated Shares in the form of existing and new share certificates ends	4:00 p.m. on Friday, 23 June 2006

Temporary counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Friday, 23 June 2006
Matching service for the sale and purchase of odd lots of Consolidated Shares	from Thursday, 18 May 2006 to Friday, 23 June 2006
Free exchange of existing share certificates for new share certificates for Consolidated Shares	from Thursday, 18 May 2006 to Wednesday, 28 June 2006

Note: All times and dates refer to Hong Kong local time and dates

EXCHANGE OF SHARE CERTIFICATES

After the Shares Consolidation becomes effective, Shareholders may submit their share certificates for the Shares to the Company's branch share registrars and transfer office, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, during the business hours of Tengis Limited from Thursday, 18 May 2006 to Wednesday, 28 June 2006 (both days inclusive), in exchange for new share certificates for the Consolidated Shares at the expense of the Company. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.5 (or such amount as may from time to time be determined by the Stock Exchange) for each new share certificate to be issued or each old share certificate submitted, whichever the number of share certificates is higher.

EFFECTS OF THE SHARES CONSOLIDATION

The Shares Consolidation has no impact on the underlying assets and liabilities, business operations, management or financial position of the Group (other than the expenses in connection therewith) or the proportionate interests of the Shareholders in the Company and their respective voting rights.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

CONDITIONS OF THE SHARES CONSOLIDATION

The proposed Shares Consolidation is conditional upon:

- (a) the passing at the AGM of an ordinary resolution approving the Shares Consolidation; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

Assuming that all the above conditions are fulfilled, it is expected that the Shares Consolidation will become effective on 18 May 2006, being the next business day following the date of the AGM.

REASONS FOR THE SHARES CONSOLIDATION

The Directors have considered and decided to put forward the proposed Shares Consolidation as they believe it is appropriate that the traded value of the Company's board lots be commensurate with other companies in the media industry and of a similar market capitalization. The Directors also consider that the Shares Consolidation will reduce the handling costs for the Shareholders such as charges on stock withdrawal and share certificate issue. As such, it is in the best interest of the Company and the Shareholders as a whole.

GENERAL

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares.

A circular containing further information on, among other things, the Shares Consolidation, together with a notice convening the AGM, to approve, among other things, the Shares Consolidation, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at the Function Room, Tower A, 6th Floor, Sing Tao Building, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on Wednesday, 17 May 2006 at 3:30 p.m. or any adjournment thereof
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Sing Tao News Corporation Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange
“Consolidated Shares”	new shares of HK\$0.2 each in the share capital of the Company upon the Shares Consolidation taking effect
“Directors”	the directors of the Company
“Effective Date”	the date on which the Shares Consolidation becomes unconditional
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shares Consolidation”	the consolidation of every two Shares into one share of HK\$0.2 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 18 April 2006

As at the date of this announcement, the Board comprises: (1) executive directors: Mr. HO Tsu Kwok, Charles (Chairman), Mr. LO Wing Hung (Chief Executive Officer), Mr. JIA Hongping, Mr. JIM Sui Hing, Mr. LAI Ting Yiu, Mr. LAU Chung Man, Louis, 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, Mr. LEE Cho Jat and Mr. TUNG Chee Chen.

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