



SING TAO NEWS CORPORATION LIMITED

星島新聞集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1105)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

The Board of Directors (the “Board”) of Sing Tao News Corporation Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2006 together with the comparative figures for the corresponding period in 2005 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2006

	Notes	For the six months ended 30 June	
		2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000
REVENUE	2	937,336	854,940
Cost of sales		<u>(722,469)</u>	<u>(622,718)</u>
Gross profit		214,867	232,222
Other income and gains		66,019	27,833
Distribution costs		(94,499)	(91,749)
Administrative expenses		(130,832)	(141,320)
Other expenses, net		(4,298)	(8,984)
Head office relocation expenses		(13,969)	—
Reversal of provision for a pledged time deposit	3	57,416	—
Gain on waiver of a payable	3	—	25,238
Finance costs		(2,056)	(567)
Reversal of provisions/(provisions) for amounts due from jointly-controlled entities, net		3,028	(1,629)
Share of profits and losses of:			
Jointly-controlled entities		(18,724)	6,097
Associates		<u>9</u>	<u>(6)</u>
PROFIT BEFORE TAX	4	76,961	47,135
Tax	5	<u>(3,051)</u>	<u>(3,671)</u>
PROFIT FOR THE PERIOD		<u><u>73,910</u></u>	<u><u>43,464</u></u>

	<i>Notes</i>	For the six months ended	
		2006	2005
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
ATTRIBUTABLE TO:			
Equity holders of the Company		73,910	43,464
Minority interests		<u>—</u>	<u>—</u>
		<u>73,910</u>	<u>43,464</u>
Earnings per share — (HK cents)	6		
Basic		<u>8.27</u>	<u>4.74</u>
Diluted		<u>8.22</u>	<u>4.74</u>
DIVIDEND PER SHARE — (HK cents)		<u>2.0</u>	<u>1.0</u>

CONDENSED CONSOLIDATED BALANCE SHEET

30 June 2006

	<i>Notes</i>	30 June	31 December
		2006	2005
		(Unaudited)	
		HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		247,437	249,390
Investment properties		4,020	4,020
Other intangible assets		17,783	18,240
Goodwill		—	—
Interests in jointly-controlled entities		243,691	268,178
Interests in associates		28	—
Available-for-sale investments		7,831	8,355
Deferred tax assets		4,327	4,171
Deposits paid		<u>38,509</u>	<u>5,368</u>
Total non-current assets		<u>563,626</u>	<u>557,722</u>
CURRENT ASSETS			
Inventories		66,410	117,665
Trade and bills receivables	7	335,946	308,238
Prepayments, deposits and other receivables		85,147	46,287
Financial assets at fair value through profit or loss		683,565	570,837
Derivative financial instruments		1,069	584
Tax recoverable		—	5,123
Pledged time deposits		88,026	76,561

		30 June 2006 (Unaudited) HK\$'000	31 December 2005 HK\$'000
	<i>Notes</i>		
Cash and cash equivalents		<u>136,078</u>	<u>238,099</u>
Total current assets		<u>1,396,241</u>	<u>1,363,394</u>
CURRENT LIABILITIES			
Trade and bills payables	8	82,288	132,288
Other payables and accruals		225,106	218,086
Derivative financial instruments		16,231	4,209
Tax payable		77,576	76,755
Interest-bearing bank and other borrowings		<u>59,840</u>	<u>10,447</u>
Total current liabilities		<u>461,041</u>	<u>441,785</u>
NET CURRENT ASSETS		<u>935,200</u>	<u>921,609</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,498,826</u>	<u>1,479,331</u>
NON-CURRENT LIABILITIES			
Finance lease payables		970	1,053
Provision for long service payments		6,881	5,821
Deferred tax liabilities		<u>18,439</u>	<u>18,369</u>
Total non-current liabilities		<u>26,290</u>	<u>25,243</u>
Net assets		<u>1,472,536</u>	<u>1,454,088</u>
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		176,916	183,202
Other reserves		522,550	545,163
Retained earnings		773,070	699,112
Proposed final dividend		<u>—</u>	<u>26,611</u>
		<u>1,472,536</u>	<u>1,454,088</u>
Minority interests		<u>—</u>	<u>—</u>
Total equity		<u>1,472,536</u>	<u>1,454,088</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2005, except as described below.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the HKICPA that are effective for accounting periods beginning on or after 1 December 2005 and 1 January 2006. The application of the new HKFRSs has had no material effect on how the results for the current and prior accounting periods are prepared and presented. Accordingly, no prior period adjustments are required.

HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures
HKAS 21 (Amendment)	The effects of change in foreign exchange rate — net investment in a foreign operation
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions
HKAS 39 (Amendment)	The fair value option
HKAS 39 & HKFRS4 (Amendment)	Financial guarantee contracts
HKFRS 6	Exploration for and evaluation of mineral resources
HK (IFRIC) — INT 4	Determining whether an arrangement contains a lease
HK (IFRIC) — INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
HK (IFRIC) — INT 6	Liabilities arising from participating in a specific market-waste electrical and electronic equipment

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The Company is still not yet in the position to reasonably estimate the impact that may arise on the Group’s results and financial position from the application of the following new HKFRSs.

HKAS 1 (Amendments)	Capital disclosures ¹
HKFRS 7	Financial instruments: Disclosures ¹
HK(IFRIC) — INT 7	Applying the restatement approach under HKAS 29 Financial reporting in hyperinflationary economies ²
HK(IFRIC) — INT 8	Scope of HKFRS 2 ³
HK(IFRIC) — INT 9	Reassessment of embedded derivatives ⁴

¹ Effective for annual periods beginning on or after 1 January 2007

² Effective for annual periods beginning on or after 1 March 2006

³ Effective for annual periods beginning on or after 1 May 2006

⁴ Effective for annual periods beginning on or after 1 June 2006

2. SEGMENT INFORMATION

The Group's operating business are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segment represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. The following table presents revenue and results for the Group's primary segments.

	For the six months ended 30 June							
	Media		Trading		Corporate and others		Consolidated	
	Unaudited		Unaudited		Unaudited		Unaudited	
	2006	2005	2006	2005	2006	2005	2006	2005
HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	
Revenue:								
External sales	698,878	636,715	236,583	215,102	1,875	3,123	937,336	854,940
Inter-segment sales	52	172	—	—	38,232	150	—	—
Other income and gains	820	45	159	1,452	14,404	5,198	15,383	6,695
Inter-segment other income	2,386	—	—	—	376	515	—	—
	702,136	636,932	236,742	216,554	54,887	8,986	952,719	861,635
Segment results	16,980	21,348	4,423	6,088	(19,242)	(25,921)	2,161	1,515
Interest and dividend income							11,316	8,588
Unallocated gains, net							37,780	7,899
Head office relocation expenses							(13,969)	—
Reversal of provision for a pledged time deposit							57,416	—
Gain on waiver of a payable							—	25,238
Finance costs							(2,056)	(567)
Reversal of provisions/ (provisions) for amounts due from jointly-controlled entities, net	3,395	(1,629)	—	—	(367)	—	3,028	(1,629)
Share of profits and losses of:								
Jointly-controlled entities	9,904	9,102	—	—	(28,628)	(3,005)	(18,724)	6,097
Associates	9	(4)	—	—	—	(2)	9	(6)
Profit before tax							76,961	47,135
Tax							(3,051)	(3,671)
Profit for the period							73,910	43,464

3. REVERSAL OF PROVISION FOR A PLEDGED TIME DEPOSIT/GAIN ON WAIVER OF A PAYABLE

The Group entered into a joint venture contract with Shandong Sanlian Electronics and Information Co., Ltd. (“Sanlian Electronics”) and another independent third party in 2000 to acquire a 40% interest in Beelink Information Science & Technology Co., Ltd. (“Beelink”). Pursuant to the joint venture contract, the Group agreed to pay a sum of RMB160 million to Sanlian Electronics in cash as consideration for Sanlian Electronics injecting certain intellectual property rights into Beelink. The Group already made part payment of RMB42.4 million up to 31 December 2004.

During the year ended 31 December 2005, the Group entered into an agreement with Sanlian Electronics and Sanlian Group Corporation (“Sanlian Group”). Pursuant to this agreement, it was agreed that by payment of RMB30 million by the Group to Sanlian Electronics, Sanlian Electronics waived the remaining RMB87.6 million owing by the Group, constituting full settlement of the Group’s payment obligations under the original joint venture contract.

In addition, as consideration for Sanlian Electronics to settle the outstanding amount owing by the Group, it was agreed that the Group will procure a loan, by way of a trust loan pledged by the Group’s time deposits, to Sanlian Group in the amount of RMB60 million for a term of one year (the “Loan”). The Loan is interest-free for the first six months and will be interest-bearing at 3% per annum until repayment on 29 April 2006. The Loan is secured by a 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. (“Shandong Co.”).

For the year ended 31 December 2005, the directors consider that the Loan granted to Sanlian Group is an integral part of the settlement arrangement with Sanlian Electronics and the recoverability of the Loan is uncertain. Accordingly, the net gain on the waiver of the amount payable to Sanlian Electronics of HK\$24 million was calculated net of a full provision against the pledged deposits.

After due date of the Loan, the Group followed up with Sanlian Group to demand repayment and exercise of the security. At the same time, Sanlian Group was trying to dispose of its interests in Shandong Co., to a third party. For the benefit of proceeding smoothly with the disposal of Shandong Co., which is the subject of the Loan security, Sanlian Group agreed to repay a portion of the Loan from the proceeds of the disposal.

Accordingly, in June 2006, the Group received RMB30 million in cash from Sanlian Group, and subsequent to the balance sheet date, the Group received another RMB23 million in cash from Sanlian Group. The directors consider that due to the unexpected disposal of Shandong Co., and Sanlian Group managed to keep their promise to repay a substantial portion of the Loan from the disposal proceeds, the amount of the full provision against the pledged deposit of HK\$57 million (RMB60 million) was therefore credited to the income statement for the period ended 30 June 2006. The Group will continue to push for repayment on the remaining RMB7 million.

4. PROFIT BEFORE TAX

Profit before tax was determined after charging/(crediting) the following:

	For the six months ended	
	30 June	
	2006	2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Amortization of intangible assets	581	589
Depreciation	15,514	19,955
Investment income	9,504	5,157
Dividend income from listed investments	3,009	1,317
Dividend income from unlisted investments	263	1,052
Unrealized loss/(gain) on changes in fair values of derivative financial instruments and financial assets at fair value through profit or loss, net	1,540	(12,550)
Loss/(gain) on disposal of financial assets at fair value through profit or loss	(39,320)	2,683
Loss on disposal of available-for-sale investments	—	1,969
	<u> </u>	<u> </u>

5. TAX

	For the six months ended	
	30 June	
	2006	2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current		
Charge for the year:		
— Hong Kong profits tax	1,063	2,405
— PRC corporate income tax	11	—
— Overseas tax	1,599	1,029
Underprovision in prior periods	436	316
Deferred	(58)	(79)
	<u> </u>	<u> </u>
Total tax charge for the period	<u>3,051</u>	<u>3,671</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

6. EARNINGS PER SHARE

The calculation of basic earnings per share for the period is based on the profit attributable to equity holders of the Company of HK\$73,910,000 (six months ended 30 June 2005: HK\$43,464,000) and the weighted average of 893,802,465 (six months ended 30 June 2005: 917,267,537) ordinary shares in issue during the period, as adjusted to reflect the share consolidation during the period.

The calculation of diluted earnings per share for the period is based on the profit attributable to equity holders of the Company of HK\$73,910,000 (six months ended 30 June 2005: HK\$43,464,000), as used in the basic earnings per share calculation. The weighted average number of ordinary shares used in

the calculation is the 893,802,465 (six months ended 30 June 2005: 917,267,537) ordinary shares in issue during the period, as adjusted to reflect the share consolidation during the period and as used in the basic earnings per share calculation; and the weighted average of 5,038,769 (six months ended 30 June 2005: 255,938) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period, as adjusted to reflect the share consolidation during the period.

7. TRADE AND BILLS RECEIVABLES

The Group allows an average credit period of 30 to 90 days to its trade customers. An aged analysis of trade and bills receivables, as at the balance sheet date, based on the payment due date, is as follows:

	30 June 2006 (Unaudited) HK\$'000	31 December 2005 HK\$'000
Current to 30 days	183,948	197,808
31 – 60 days	63,160	49,967
61 – 90 days	48,116	30,292
91 – 120 days	19,163	14,775
Over 120 days	38,143	30,056
	352,530	322,898
Less: Provisions for bad and doubtful debts	(16,584)	(14,660)
	335,946	308,238

8. TRADE AND BILLS PAYABLES

An aged analysis of trade and bills payables, as at the balance sheet date, based on the payment due date, is as follows:

	30 June 2006 (Unaudited) HK\$'000	31 December 2005 HK\$'000
Current to 30 days	61,662	87,489
31 – 60 days	15,275	36,795
61 – 90 days	1,015	1,682
91 – 120 days	133	230
Over 120 days	4,203	6,092
	82,288	132,288

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The principal activities of the Group comprise Media and Media-related operations including Newspapers, Magazines, Recruitment Media and other media-related businesses. In addition, the Group is also engaged in Trading, Broadband Content and Distribution, and E-learning and Corporate Training.

The Group recorded healthy growth in financial results during the first half of 2006. The consolidated revenue of the Group for the six months ended 30 June 2006 (“Period”) increased by 9.6% to approximately HK\$937.3 million, compared with approximately HK\$854.9 million for the six months ended 30 June 2005 (“Previous Period”). The growth is mainly attributable to the contribution by the Group’s free newspaper products launched in the second half of 2005. Despite the incremental costs associated with the free newspaper operations, the Group’s consolidated profit attributable to equity holders for the Period increased to approximately HK\$73.9 million, or by 70%, compared with approximately HK\$43.5 million for the Previous Period. Excluding exceptional and one-off items, the Group’s profit for the Period was approximately HK\$56.8 million, compared with approximately HK\$20.9 million for the Previous Period, representing an increase of 172%.

Media and Media-related Operations

The Group’s Media operations recorded an increase in revenue of 9.8%, from approximately HK\$636.7 million in the Previous Period to approximately HK\$698.9 million in the Period. Operating profit declined from approximately HK\$21.3 million to approximately HK\$17.0 million, due to initial losses incurred by the Group’s free newspaper operations.

Newspapers

Although the Hong Kong economy and the overall advertising market remained buoyant in the first half of 2006, the property market underwent some adjustment during this time, and related advertising spending shrank considerably. The advertising revenue of Sing Tao Daily from this category was adversely affected. However, thanks to editorial improvements which continually reinforced the newspaper’s appeal among its middle-class readers, advertisements from the education, banking and telecommunications sectors registered growth in volume and market share. In terms of circulation, Sing Tao Daily was able to achieve a 3.4% rise in the Period as compared with the Previous Period, in contrast to the general trend of declining circulation among paid newspapers in Hong Kong. The intensified competition in the local newspaper market has turned out to have relatively little impact on Sing Tao Daily.

The Group’s free newspaper, *Headline Daily*, has emerged clearly as Hong Kong’s number 1 free newspaper in terms of readership, distribution network as well as content coverage. Its circulation and readership are ahead of competitors by a considerable margin. According to the latest survey by Oracle Added Value Limited in May 2006, *Headline Daily*’s readership of 1,269,000 was also of the highest quality among free newspapers in Hong Kong. *Headline Daily* has drawn high acclaim not only from readers but also from advertisers. During the Period, the advertising revenue of *Headline Daily* saw solid growth from month to month, carrying on its strong momentum since launch. In addition, the newspaper’s website www.hkheadline.com was revamped during the Period to offer an integrated interactive advertising platform to maximize return to its advertising clients. Although the free newspaper operations incurred losses during the first half of the year, they are well on track to contribute positively to the Group’s results in due course.

The Standard recorded stable growth in its advertising and circulation revenue during the Period. Although listed company notices still represented a major share of the newspaper’s advertisements, the proportion of non-notices advertising revenue has been increasing steadily. In July 2006 the Stock Exchange announced that the abolition of paid announcements in newspapers would phase in imminently. The Standard will continue to diversify its revenue sources and improve its operational efficiency to mitigate the impact of such change.

The overseas operations of Sing Tao Daily continued to deliver satisfactory results in all major markets during the Period. Our steadfast efforts on improving the quality of our editorial products and advertising services have allowed us to achieve revenue growth. Although the high newsprint and commodity prices continued to put pressure on costs, the operations have exercised careful control on expenses and have leveraged on synergies among the Group’s businesses to maintain profit margins.

Magazines

The Group's Magazine business faced keen competition and a relatively stagnant advertising market during the first half of 2006. Against this background the unit achieved improvement in both revenue and profitability in the Period as compared with the Previous Period. The flagship magazine East Week continued to grow in popularity as an up-market infotainment magazine, and has attracted a high quality clientele of both readers and advertisers, with increase in average advertising page rates. East Touch has withstood the challenge from a myriad of new titles in the market, and has maintained its position in the lifestyle magazine segment. Creative advertising formats were offered to help advertisers achieve better response on their promotion activities. Whilst expanding the magazine's revenue base, this also led to increased production costs. PC Market adopted a strategy of reinforcing its market position as a professional IT magazine, by focusing on specialist content in the digital products field. Apart from gaining readers' support, it also received recognition from advertisers and increased its advertising revenue.

Recruitment Media

Hong Kong's recruitment advertising market was sluggish during the first half of 2006, especially for print advertising. The number of jobs advertised in the print media market during the Period dropped by 10% as compared with the Previous Period. Whilst JobMarket was able to maintain its share of the print market, it also grew its online recruitment business, in particular for top talents. The senior jobs website www.A-performers.com continued to gain market momentum and brand awareness. The demand for continuing education remained high and competition for the sector's advertising heightened, but EDUplus.com.hk continued to be a leading brand in the market.

Non-media Operations

Trading

Revenue at the Group's Trading unit continued to grow during the Period, and recorded a 10% increase as compared with the Previous Period. Although the growth in the PRC digital camera market in general slowed down in 2006, the Trading unit was able to gain market share through its sales and marketing efforts. On the other hand, intense competition had resulted in pressure on profit margins, and the unit recorded a decline in operating profit from HK\$6.1 million in the Previous Period to HK\$4.4 million in the Period. In order to compensate for the deteriorating margins, the unit will continue to leverage on its distribution network to diversify into new business areas in a prudent manner.

Broadband Content and Distribution

The Group's 40% owned Broadband Content and Distribution unit faced a challenging operating environment during the Period. Price competition from other telecommunications service providers had resulted in lower average revenue per subscriber, and the government's macroeconomic measures had also put pressure on growth in users, especially commercial customers. The unit will seek to open up new revenue sources by developing its system integration and software development business.

E-Learning and Corporate Training

During the Period, the e-learning and corporate training unit delivered satisfactory growth in financial results. The e-learning business, undertaken in co-operation with the University of International Business and Economics, had become established as the unit's core revenue and profit base. At the same time, incremental business in corporate training, such as the provision of mandarin courses to foreign enterprises in the PRC, had fuelled further growth.

PROSPECTS

The Group's expansion into the free newspaper market has proven to be strategically successful, with new advertising revenue opened up by Headline Daily, particularly in consumer products and services, complementing Sing Tao Daily's established position in property and finance advertisements. Market surveys have clearly demonstrated the free newspapers' rapidly growing share of the advertising market, and Headline Daily is well positioned to capture the benefits from this trend. In addition, with the interest rate cycle approaching its peak, the property market is seeing renewed vigour and increases in property-related advertising would benefit the Group in the second half. At the same time, the Magazine business continues on a positive trend.

But the months ahead are not without challenges. Market competition, high material costs and rising inflation will continue to impose pressure on operations. The Group has started the second half of 2006 with a new office location in Shaukeiwan, which represents not only an improved work environment for our staff but also increased work efficiency and cost saving opportunities. Management will be rigorous in growing revenue and controlling expenses to maximize profit for shareholders.

EMPLOYEES

As at 30 June 2006, the Group had approximately 2,190 employees.

The Group remunerates its employees based on individual and business performance and competitive salaries and benefits are paid to attract and retain quality staff. Other employee benefits include medical insurance, discretionary bonus, share options and provident fund schemes.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK2 cents (Previous Period: HK1 cent (as adjusted to reflect the share consolidation during the Period)) per share for the Period payable on Wednesday, 11 October 2006 to shareholders whose names appear on the register of members of the Company on Wednesday, 4 October 2006.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 27 September 2006 to Wednesday, 4 October 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 26 September 2006.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has repurchased a total of 61,244,000 shares at prices ranging from HK\$0.34 to HK\$0.71 per share on the Stock Exchange during the period from 1 January 2006 to 17 May 2006. On 18 May 2006, the authorized share capital of the Company has been consolidated on the basis that every two issued and unissued shares of HK\$0.10 each in the share capital of the Company be consolidated into one share of HK\$0.20 each. After the consolidation of the shares of the Company, the Company has further repurchased a total of 867,000 shares at prices ranging from HK\$0.88 to HK\$1.10 per share on the Stock Exchange during the period from 18 May 2006 to 30 June 2006. All these repurchased shares were subsequently cancelled by the Company during the Period. Apart from this, the Company has not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold, the Company's listed securities during the Period.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Listing Rules on the Stock Exchange and complied with the CG Code throughout the Period with deviation from the code provision E.1.2. The Chairman of the audit committee of the Company did not attend the annual general meeting of the Company held in 2006 due to other commitments.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has made specific enquiries to all directors of the Company who have confirmed that they have complied with the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules throughout the Period.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the Period, including the accounting principles and accounting standards adopted by the Company, and discussed matters relating to auditing, internal controls and financial reporting.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE’S WEBSITE

This announcement will be published on the Stock Exchange’s website. The 2006 interim report will also be published on the Stock Exchange’s website and will be despatched to the shareholders of the Company.

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

Hong Kong, 5 September 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), Ms. Judy INN, Mr. JIA Hongping, 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.

** For identification purpose only*

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