
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sing Tao News Corporation Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Sing Tao News Corporation Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange
“Construction”	the construction of a printing factory located at the Land
“Contractor”	Head Fame Company Limited, a company incorporated in Hong Kong with limited liability
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	a piece or parcel of land situated at Subsection 1 of Section H of Tseung Kwan O Town Lot No. 39 and extensions thereto
“Latest Practicable Date”	30 March 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company
“Purchaser”	Global China Properties Holdings Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.2 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technology Parks”	Hong Kong Science and Technology Parks Corporation



SING TAO NEWS CORPORATION LIMITED

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(Incorporated in Bermuda with limited liability)

(Stock code: 1105)

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

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:

3/F, Sing Tao News Corporation Building
3 Tung Wong Road
Shau Kei Wan
Hong Kong

Non-Executive Director:

Mr. Leung Chun Ying

Independent Non-Executive Directors:

Mr. Timothy David Dattels
Ms. Ho Chiu King, Pansy Catilina
Mr. King Richard Yun Zing
Mr. Lee Cho Jat
Mr. Tung Chee Chen

30 March 2007

To the Shareholders

DISCLOSEABLE TRANSACTION

INTRODUCTION

In the announcement of the Company dated 16 March 2007, the Board announced that after the trading hours on 16 March 2007, the Purchaser, a wholly-owned subsidiary of the Company, entered into a building contract with the Contractor, an independent third party, pursuant to which the Contractor shall construct a printing factory at the Land at a consideration of HK\$117,668,000.

* For identification purpose only

LETTER FROM THE BOARD

The Construction and the lease of the Land, in aggregate, constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with further information relating to the transaction and other information as required under the Listing Rules.

THE BUILDING CONTRACT

Date: 16 March 2007, after the trading hours

Parties:

Purchaser: Global China Properties Holdings Limited, a wholly-owned subsidiary of the Company

Contractor: Head Fame Company Limited, an independent third party

Asset: Construction of a printing factory with a total estimated gross floor area of approximately 9,685 square metres located at the Land

Consideration: HK\$117,668,000

The consideration shall be paid by the Purchaser after receiving monthly invoices from the Contractor commencing from 16 April 2007.

The Contractor was selected through a tendering process by which several building contractors were short-listed for selection based on their offer prices and their competence. The consideration of the Construction was determined after arm's length negotiations between the parties based on normal commercial terms.

The consideration of the Construction will be funded from internal resources within the Group.

REASONS

In consideration of the Group's expansion of its newspaper business and business strategies and to ensure smooth production of its products in addition to the existing production capacity, the Group decided to lease the Land and construct a printing factory at the Land.

The Directors (including the independent non-executive directors of the Company) consider that the terms of the building contract are arrived at after arm's length negotiations based on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

GENERAL

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.

The Contractor is principally engaged in building construction.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry by the Directors, the Contractor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

There is no previous transaction between the Company and the Contractor which required aggregation of transactions under Rule 14.22 of the Listing Rules.

There is a previous transaction which may be required to be aggregated under Chapter 14 of the Listing Rules. On 28 February 2007, the Purchaser accepted an offer to lease made by Technology Parks, which and the ultimate beneficial owner(s) of which, are third parties independent of the Company and its connected persons (as defined in the Listing Rules). Under the offer, Technology Parks shall lease the Land together with piles currently located at the Land to the Purchaser at the consideration of HK\$31,948,950 for a lease term from the date of possession of the Land (in around April 2007) until 27 June 2047 and on the terms set out in the agreement for lease to be entered into between the Purchaser and Technology Parks. The consideration shall be paid by the Purchaser in the following manner: (1) a sum of HK\$2,694,895 has been paid upon the acceptance of the offer to lease and (2) the remaining balance is payable upon the execution of the agreement for lease. The consideration was determined after arm's length negotiations between the parties based on normal commercial terms and with reference to the prevailing market prices of land in the neighbouring area. The consideration will be funded from internal resources within the Group. There is no relationship between Technology Parks and the Contractor.

As the percentage ratio for the lease of the Land calculated pursuant to Rule 14.07 of the Listing Rules is less than 5%, the lease of the Land does not, individually, subject to any disclosure requirement under Chapter 14 of the Listing Rules. The Construction and the lease of the Land contemplated under the relevant contract and agreement, in aggregate, constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The fixed assets of the Group will be increased by the amount of the consideration of the lease of the Land upon completion of the acquisition, representing the value of the Land and also by the amount of the consideration of the building contract upon completion of the Construction, representing the value of the printing factory. It is expected that the considerations of the transaction will be funded by internal cash of the Group. The Board is of the view that the transaction will not have any material effect on the liabilities and earnings of the Group.

Your attention is drawn to the general information set out in the Appendix to this circular which contains certain additional information relating to the Company.

Yours faithfully,
On behalf of the Board of
Sing Tao News Corporation Limited
Ho Tsu Kwok, Charles
Chairman

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiry, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DISCLOSURE OF INTERESTS**Directors' interest**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), which are required to be entered in the register required to be kept under Section 352 of the SFO and the Model Code were as follows:

(i) Long positions

Name of director	Notes	Number of Shares held, capacity and nature of interest			Percentage of the Company's issued share capital
		Personal interests	Corporate interests	Total	
Mr. Ho Tsu Kwok, Charles	(1)	—	426,197,500	426,197,500	48.428%
Mrs. Sy Wong Chor Fong	(2)	625,000	81,959,500	82,584,500	9.384%
Ms. Judy Inn		50,000	—	50,000	0.005%

Notes:

- (1) Of these Shares, 424,948,000 and 1,249,500 Shares were held by Luckman Trading Limited ("Luckman") and Yosham Limited, respectively, which were beneficially owned by Mr. Ho Tsu Kwok, Charles.
- (2) The corporate interests of 81,959,500 Shares were held by Stagelight Group Limited ("Stagelight"), which was beneficially wholly-owned by Mrs. Sy Wong Chor Fong.

(ii) interests in underlying Shares – options under share option schemes

Name	Date of Grant	Exercise Period	Exercise Price per Share (HK\$)	Number of options outstanding	Percentage to issued Shares (%)	
					Total	Shares (%)
Judy Inn	10.07.06	27.06.07 — 26.06.16	0.9200	2,250,000	2,250,000	0.255
Jia Hongping	28.10.05	28.10.06 — 27.10.15	0.7300	2,000,000	2,000,000	0.227
Lai Ting Yiu	28.10.05	28.10.06 — 27.10.15	0.7300	2,000,000	2,000,000	0.227
Lau Chung Man, Louis	23.05.05	23.05.06 — 22.05.15	0.7760	3,000,000	3,000,000	0.340
Lo Wing Hung	04.05.05	04.05.06 — 03.05.15	0.7700	18,000,000	18,000,000	2.045
Sy Wong Chor Fong	31.08.01	20.09.02 — 19.09.11	0.7056	200,000		
	28.10.05	28.10.06 — 27.10.15	0.7300	377,000	577,000	0.065
Yang Yiu Chong, Ronald Jeffrey	31.08.01	20.09.02 — 19.09.11	0.7056	1,350,000		
	28.10.05	28.10.06 — 27.10.15	0.7300	1,180,000	2,530,000	0.287

Note: As dates are shown day/month/year

Substantial shareholders' interest

Save as disclosed below, so far as was known to the Directors, those persons, other than the Directors or chief executive of the Company or his/her respective associate(s), who, as at the Latest Practicable Date, had an interest or short position in the Shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

Name	Notes	Capacity and nature of interest	Number of Shares held	Percentage of the Company's issued share capital
Luckman	(1)	Beneficial owner	424,948,000	48.28%
Hong Kong Tobacco Company Limited ("HK Tobacco")	(2)	Deemed interest	424,948,000	48.28%
Stagelight	(3)	Beneficial owner	81,959,500	9.31%
Great Diamond Developments Limited		Beneficial owner	68,959,500	7.83%

Notes:

- The interests of Mr. Ho Tsu Kwok, Charles, held through a controlled corporation, duplicates to those disclosed in the section "Directors' interests" above.
- Pursuant to an option agreement dated 20 June 2001 and three supplemental agreements entered into between Luckman and HK Tobacco on 19 July 2002, 19 July 2003 and 19 July 2006, respectively, HK Tobacco was granted an option to purchase from Luckman 33,000,000 Shares. Under Sections 317 and 318 of the SFO, HK Tobacco is deemed to be interested in all the 424,948,000 Shares held by Luckman.
- The interests of Mrs. Sy Wong Chor Fong, held through a controlled corporation, duplicates to those disclosed in the section "Directors' interests" above.

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

MISCELLANEOUS

- (i) The company secretary of the Company is Ms. Cheng Lai Chu, a qualified solicitor in Hong Kong.
- (ii) The qualified accountant of the Company is Mr. Lau Chung Man, Louis. He is a member of the New Zealand Society of Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants.
- (iii) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office of the Company is situated at 3/F, Sing Tao News Corporation Building, 3 Tung Wong Road, Shau Kei Wan, Hong Kong.
- (iv) The Company's branch share registrars and transfer office, Tengis Limited, is situated at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (v) As at the Latest Practicable Date, none of the Directors had any service contract with the Company or any of its subsidiaries which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). There is no proposed director of the Company.
- (vi) The English text of this circular shall prevail over the Chinese text.