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 FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2006

The Board of Directors (the "Board") of Sing Tao News Corporation Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2006 (the "Year") together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2006

	Notes	**2006** **HK$'000**	2005 HK$'000
REVENUE	*3*	**1,974,394**	1,824,522
Cost of sales		**(1,438,747)**	(1,325,425)
Gross profit		**535,647**	499,097
Other income and gains		**204,572**	60,286
Distribution costs		**(250,178)**	(231,809)
Administrative expenses		**(305,788)**	(291,032)
Other expenses		**(23,629)**	(17,944)
Reversal of impairment of a loan receivable	*4*	**57,416**	–
Head office relocation expenses		**(12,540)**	–
Gain on disposal of a property		**–**	185,830
Gain on waiver of a payable	*4*	**–**	24,112
Finance costs		**(3,679)**	(2,953)
Share of profits and losses of:			
Jointly-controlled entities		**(14,314)**	(10,567)
Associates		**(10)**	(10)
Reversal of impairment of an amount due from a jointly-controlled entity		**5,866**	2,318
Impairment of an amount due from a jointly-controlled entity		**(2,988)**	(3,719)
Gain on disposal of an associate		**–**	282
PROFIT BEFORE TAX	*5*	**190,375**	213,891
Tax	*6*	**(12,233)**	6,882
PROFIT FOR THE YEAR		**178,142**	220,773
Attributable to:			
Equity holders of the Company		**178,142**	220,773
Minority interests		**–**	–
		178,142	220,773
DISTRIBUTION	*7*		
Interim		**17,641**	9,173
Proposed final		**22,001**	26,611
		39,642	35,784
Earnings per share attributable to ordinary equity holders of the Company – *(HK cents)*	*8*		
Basic		**20.06**	24.07
Diluted		**19.74**	24.06

CONSOLIDATED BALANCE SHEET

31 December 2006

	Notes	2006 HK$'000	2005 HK$'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**277,278**	249,390
Investment properties		**29,217**	4,020
Other intangible assets		**17,725**	18,240
Interests in jointly-controlled entities		**232,630**	268,178
Interests in associates		**39,009**	–
Available-for-sale investments		**7,799**	8,355
Deferred tax assets		**6,630**	4,171
Deposits paid		**25,942**	5,368
Total non-current assets		**636,230**	557,722
CURRENT ASSETS			
Inventories		**80,374**	117,665
Trade and bills receivables	*9*	**364,173**	308,238
Prepayments, deposits and other receivables		**44,016**	46,287
Financial assets at fair value through profit or loss		**630,665**	570,837
Derivative financial instruments		**4,957**	584
Loan to a jointly-controlled entity		**12,604**	12,153
Tax recoverable		**387**	5,123
Pledged time deposits		**26,787**	54,509
Cash and cash equivalents		**323,146**	238,099
Total current assets		**1,487,109**	1,353,495
CURRENT LIABILITIES			
Trade and bills payables	*10*	**103,217**	132,288
Other payables and accruals		**311,199**	218,086
Derivative financial instruments		**28,473**	4,209
Tax payable		**85,425**	76,755
Finance lease and hire purchase contract payables		**968**	548
Total current liabilities		**529,282**	431,886
NET CURRENT ASSETS		**957,827**	921,609
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,594,057**	1,479,331
NON-CURRENT LIABILITIES			
Finance lease and hire purchase contract payables		**3,492**	1,053
Provision for long service payments		**7,438**	5,821
Deferred tax liabilities		**20,452**	18,369
Total non-current liabilities		**31,382**	25,243
Net assets		**1,562,675**	1,454,088
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		**176,176**	183,202
Reserves		**1,364,498**	1,244,275
Proposed final dividends		**22,001**	26,611
		1,562,675	1,454,088
Minority interests		**–**	–
Total equity		**1,562,675**	1,454,088

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The accounting policies and methods of computation used in the preparation of these consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2005 except that the Group has changed certain of its accounting policies and disclosures following the adoption of new/revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for accounting periods commencing on or after 1 January 2006.

The consolidated financial statements have been prepared in accordance with the HKFRSs and comply with accounting standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, buildings, derivative financial instruments and certain investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except where otherwise indicated.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

The principal changes in accounting policies are as follows:

(a) HKAS 21 *The Effects of Changes in Foreign Exchange Rates*

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these financial statements as at 31 December 2006 or 31 December 2005.

(b) HKAS 39 *Financial Instruments: Recognition and Measurement*

(i) Amendment for financial guarantee contracts

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*. The adoption of this amendment has had no material impact on these financial statements.

(ii) Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on the financial statements.

(iii) Amendment for cash flow hedge accounting of forecast intragroup transactions

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on these financial statements.

(c) HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*

The Group has adopted this interpretation as of 1 January 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This interpretation has had no material impact on these financial statements.

3. SEGMENT INFORMATION – business segments

	Media		Trading		Corporate and others		Eliminations		Consolidated	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
						(Restated)				(Restated)
Segment revenue:										
Sales to external customers	**1,468,955**	1,358,829	**492,950**	454,235	**12,489**	11,458	**–**	–	**1,974,394**	1,824,522
Intersegment sales	**13,474**	8,532	**–**	–	**93,417**	79,643	**(106,891)**	(88,175)	**–**	–
Other income and gains	**7,981**	475	**11,106**	5,459	**62,876**	9,105	**–**	–	**81,963**	15,039
Intersegment other income	**4**	3,417	**–**	–	**964**	2,010	**(968)**	(5,427)	**–**	–
Total	**1,490,414**	1,371,253	**504,056**	459,694	**169,746**	102,216	**(107,859)**	(93,602)	**2,056,357**	1,839,561
Segment results	**16,241***	13,136*	**14,175***	6,203*	**27,490***	(39,713)*			**57,906**	(20,374)
Interest and dividend income									**20,761**	18,614
Unallocated gains, net									**81,957**	20,358
Reversal of impairment of a loan receivable									**57,416**	–
Head office relocation expenses									**(12,540)**	–
Gain on disposal of a property									**–**	185,830
Gain on waiver of a payable									**–**	24,112
Finance costs									**(3,679)**	(2,953)
Share of profits and losses of:										
Jointly-controlled entities	**22,201***	13,322*	**–***	–*	**(36,515)***	(23,889)*			**(14,314)**	(10,567)
Associates	**–***	–*	**–***	–*	**(10)***	(10)*			**(10)**	(10)
Reversal of impairment of an amount due from a jointly-controlled entity	**5,866***	2,318*	**–***	–*	**–***	–*			**5,866**	2,318
Impairment of an amount due from a jointly-controlled entity	**–***	–*	**–***	–*	**(2,988)***	(3,719)*			**(2,988)**	(3,719)
Gain on disposal of an associate	**–***	–*	**–***	–*	**–***	282*			**–**	282
Profit before tax									**190,375**	213,891
Tax									**(12,233)**	6,882
Profit for the year									**178,142**	220,773
For information purpose: Segment results and share of results of jointly-controlled entities/associates (* comprised of these amounts	**44,308**	28,776	**14,175**	6,203	**(12,023)**	(67,049)				
Segment assets	**779,753**	696,716	**117,000**	131,161	**935.326**	793,715	**–**	–	**1,832,079**	1,621,592
Interests in jointly-controlled entities	**215,793**	214,909	**–**	–	**16,837**	53,269	**–**	–	**232,630**	268,178
Loan to a jointly-controlled entity	**–**	–	**–**	–	**12,604**	12,153	**–**	–	**12,604**	12,153
Interests in associates	**12**	3	**–**	–	**38,997**	(3)	**–**	–	**39,009**	–
Unallocated assets									**7,017**	9,294
Total assets									**2,123,339**	1,911,217
Segment liabilities	**232,278**	217,114	**48,419**	88,455	**169,630**	54,835	**–**	–	**450,327**	360,404
Unallocated liabilities									**110,337**	96,725
Total liabilities									**560,664**	457,129

4. REVERSAL OF IMPAIRMENT OF A LOAN RECEIVABLE/GAIN ON WAIVER OF A PAYABLE

Global China Information Services Limited ("GCISL"), a wholly-owned subsidiary of the Company, 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, GCISL had agreed to pay a sum of HK$150 million (equivalent to RMB160 million) to Sanlian Electronics in cash as consideration for Sanlian Electronics injecting certain intellectual property rights into Beelink. GCISL had made partial payment of HK$40 million (equivalent to RMB42.4 million) up to 31 December 2004.

On 28 April 2005, GCISL entered into an agreement with Sanlian Electronics and Sanlian Group Corporation ("Sanlian Group"). Pursuant to this agreement, it was agreed that by payment of HK$29 million (equivalent to RMB30 million) by GCISL to Sanlian Electronics, Sanlian Electronics would waive the remaining HK$81 million (equivalent to RMB87.6 million) owed by GCISL, constituting full settlement of GCISL's payment obligations under the original joint venture contract.

In addition, as consideration for Sanlian Electronics' agreement to settle the outstanding amount owed by GCISL, it was agreed that GCISL would procure a loan to Sanlian Group on 29 April 2005 in the amount of HK$57 million (equivalent to RMB60 million) for a term of one year (the "Loan"). The Loan was interest-free for the first six months and was interest-bearing at 3% per annum until repayment on 28 April 2006. The Loan was 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."). The directors considered that the Loan granted to Sanlian Group was an integral part of the settlement arrangement with Sanlian Electronics and the recoverability of the Loan was uncertain. Accordingly, the net gain on the waiver of the amount payable to Sanlian Electronics of HK$24 million for the year ended 31 December 2005 was calculated net of a full provision against the Loan granted to Sanlian Group.

Sanlian Group failed to repay the Loan on 28 April 2006, which was the due date of the Loan. Subsequently, the Group issued a legal letter to Sanlian Group to demand repayment. At about 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 the gradual repayment of the Loan.

During the year ended 31 December 2006, the loan granted to Sanlian Group of HK$57,416,000, which was fully impaired as at 31 December 2005, has been reclassified from pledged time deposits to a loan receivable. In addition, during the second half of 2006, the Group received full repayment in cash from Sanlian Group. Since the Loan has been fully settled, the prior year's impairment of the Loan of HK$57 million (RMB60 million) was credited to the income statement as a gain on reversal of impairment for the year ended 31 December 2006.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2006 ***HK$'000***	2005 *HK$'000*
Investment income	**(23,239)**	(9,305)
Dividend income from an unlisted investment	**(1,053)**	(1,058)
Dividend income from listed investments	**(5,336)**	(2,907)
Gain on disposal of financial assets at fair value through profit or loss, net	**(86,084)**	(15,179)
Loss/(gain) on disposal of available-for-sale investments	**(19)**	1,969
Fair value losses/(gains), net:		
Financial assets at fair value through profit or loss	**(15,764)**	(11,454)
Derivative financial instruments – transactions not qualifying as hedges	**19,891**	1,673
Impairment of available-for-sale investments	**–**	2,633
Depreciation	**36,151**	40,602
Amortisation of intangible assets	**1,115**	1,169

6. TAX

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 year. 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.

	2006	2005
	HK$'000	*HK$'000*
Group:		
Current:		
Charge for the year:		
The People's Republic of China:		
Hong Kong	**11,076**	5,250
Elsewhere	**40**	44
Elsewhere	**4,062**	12,558
Overprovision in prior years	**(381)**	(5,163)
Deferred	**(2,564)**	(19,571)
Total tax charge/(credit) for the year	**12,233**	(6,882)

7. DISTRIBUTION

	2006	2005
	HK$'000	*HK$'000*
Interim – HK2.0 cents (2005: HK1.0 cent, as restated to reflect the share consolidation during the year ended 31 December 2006) per ordinary share	**17,641**	9,173
Proposed:		
Final dividend – HK2.5 cents (2005: HK1.0 cent, as restated to reflect the share consolidation during the year ended 31 December 2006) per ordinary share	**22,001**	8,870
Special final dividend – Nil (2005: HK2.0 cents, as restated to reflect the share consolidation during the year ended 31 December 2006 per ordinary share)	**–**	17,741
	22,001	26,611

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the share consolidation during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, as used in the basic earnings per share calculation. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as adjusted to reflect the share consolidation during the year and as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all the dilutive potential ordinary shares into ordinary shares, as adjusted to reflect the share consolidation during the year.

The calculations of basic and diluted earnings per share are based on:

	2006 *HK$'000*	2005 *HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**178,142**	220,773

	Number of shares 2006	 2005 (Restated)
Shares*		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**887,851,775**	917,260,633
Effect of dilution – weighted average number of ordinary shares:		
Share options	**14,613,391**	296,799
	902,465,166	917,557,432

* *The number of shares for both years have been adjusted to reflect the share consolidation during the year.*

9. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

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

	Group 2006 *HK$'000*	 2005 *HK$'000*
Current to 30 days	**217,066**	197,808
31 to 60 days	**47,018**	49,967
61 to 90 days	**49,287**	30,292
91 to 120 days	**24,559**	14,775
Over 120 days	**41,138**	30,056
	379,068	322,898
Less: Impairment of trade receivables	**(14,895)**	(14,660)
	364,173	308,238

10. 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:

	Group 2006 *HK$'000*	 2005 *HK$'000*
Current to 30 days	**97,233**	87,489
31 to 60 days	**3,374**	36,795
61 to 90 days	**121**	1,682
91 to 120 days	**228**	230
Over 120 days	**2,261**	6,092
	103,217	132,288

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Media and Media-related Operations

The Group's Media business recorded healthy growth during 2006 with a more diversified portfolio of products that complemented each other. With the local and world economies displaying continued strength, consumer spending was on the rise which in turn contributed to bigger advertising budgets in general. The Group's Media Operations benefited from the active advertising market and achieved solid results for the year. Revenue of the Media Operations increased from approximately HK$1,359 million to approximately HK$1,469 million, or by 8%, in 2006 as compared with 2005, partly due to the full year contribution of Headline Daily. Despite the corresponding full year impact of the additional operating expenses associated with the free newspaper, operating profit of the Media Operations as a whole improved significantly by 54%, from approximately HK$28.8 million in 2005 to approximately HK$44.3 million in 2006. This is mainly attributable to the growth in top line, rigorous efforts in improving margins, as well as contribution by the Group's jointly-controlled printing and overseas businesses.

Newspapers

Although the overall local advertising market remained buoyant during 2006, property-related advertising spending shrank by 13% as a result of the property market consolidation earlier in the year. Being the industry leader in property advertising, Sing Tao Daily was adversely affected by this market correction. Nonetheless, continuous efforts on building Sing Tao into a high quality newspaper for middle-class readers, with focus on finance, education and lifestyle content, had shown results. On the one hand, advertisements from these sectors grew in volume and gained market share, which helped to diversify the advertising customer base of the newspaper. On the other hand, the improved content brought in additional readers and raised circulation. Sing Tao Daily has been registering readership growth for four consecutive years, between 2002 and 2006, according to surveys by AC Nielsen. Specifically, with the launch of a retail version of the supplement "Investment Weekly", which became one of the most popular finance weeklies in the market, Sing Tao Daily has successfully developed a brand presence in the finance and investment segment.

Apart from readers' support, the editorial excellence of the newspaper also gained the market's recognition. In the well-regarded Hong Kong News Awards 2006 organized by The Newspaper Society of Hong Kong, Sing Tao Daily took the leading position by winning a total of 15 awards, including five top honors, and became the newspaper with the most awards in Hong Kong. In addition, The Standard also received five other prizes in the Awards.

2006 marked the first full year operations of Headline Daily, the Group's free newspaper positioned for mass market readers. During the year, Headline Daily clearly established itself as the number 1 free newspaper in Hong Kong in terms of circulation and readership, distribution network and content coverage. In response to demand from the market, circulation copies were increased to over 600,000 per issue, which further widened the leadership gap with other operators. Headline Daily committed additional resources to enrich its editorial content, and a number of reputable columnists were introduced to provide exclusive and insightful analyses on political, financial and current affairs. During the year, it also revamped its website www.hkheadline.com by adding a selection of interactive content, which expanded its base of loyal readers. Headline Daily proved to be well-accepted not only among readers but also advertisers. Advertising revenue achieved consistent and significant growth throughout the year, with major market share gains in the retail, personal finance and education-related sectors. The financial performance of Headline Daily well exceeded expectations. Not only has it made a positive contribution to the Group's results for the year as a whole, but it has also complemented the performance of the Group's paid newspapers by providing an effective advertising medium for mass market consumption categories.

The Group's English-language business newspaper, The Standard, recorded another good year. Both circulation and advertising revenue achieved stable growth. The latter benefited from the vibrant financial markets in 2006, which drove up revenue from listed company announcements, as well as from increasing non-notices advertising. On the editorial side, The Standard continued to enhance its content, especially in finance and investment. It launched a new weekly investment supplement "The Standard Money", and also worked in conjunction with Sing Tao Daily on introducing Goodies, a children's publication tailored for its student readers. These efforts helped to diversify the readership base and revenue sources for the newspaper, in face of the abolition of mandatory announcements in newspapers by listed companies, phase 1 of which will come into effect on 25 June 2007.

During the year under review, the overseas operations of Sing Tao Daily continued to deliver satisfactory results in all major markets. The global economy generally improved but newspaper advertising spending in overseas markets actually weakened due to competition from online advertising. In addition, a range of new publications continued to enter the overseas Chinese markets, which put pressure on advertising volume and page rates. Nonetheless, thanks to previous investments made in our overseas operations to strengthen our product and readership bases, we were able to withstand the competition and achieve sound increase in revenue. At the same time, despite high newsprint prices and energy costs, management exercised great care in controlling expenses and increasing efficiencies to achieve growth in operating profit.

Magazines
The Group's Magazine business faced intense competition during the year. On the one hand, some of the competitors cut cover prices in order to boost copy sales and, on the other hand, magazine advertising spending came under pressure from other media, in particular outdoor media. Against this background, the Magazine unit maintained its market position, grew its revenue and improved its profitability.

The flagship magazine East Week continued its strategy of upgrading its quality and lifting its brand image, positioning itself as a premium current affairs magazine. It introduced a number of editorial enhancements and maintained its cover price. It also succeeded in attracting a high quality clientele of advertisers, especially in the categories of watches, cosmetics and high-end branded products. Average advertising page rates rose steadily and contributed to higher revenue and profit margins.

In the lifestyle magazine category, East Touch remained an icon of the most up-to-date trends in fashion, beauty, entertainment and lifestyle, whilst JET has established a strong position as a magazine focusing on sophisticated and quality living. JET also launched a "mini" version earlier in the year to offer its readers a more nimble format. By co-operating with internationally renowned brands and by offering creative advertising formats to advertisers, both magazines were able to achieve advertising revenue growth despite a highly competitive environment. PC Market continued on a steady trend with improvement in advertising revenue, reinforcing its position in the professional IT market.

Recruitment Media
During 2006, the recruitment advertising market in Hong Kong grew ever more challenging. Advertisers increasingly shifted to the online recruitment media, which offered very aggressive rates. The number of recruitment advertising pages in the print media market declined by 4% as compared with the previous year. JobMarket has been strengthening its online platform throughout the year and managed to increase its online revenue by 3 times, although its print revenue saw a decline. New sources of revenue were opened up through offering value-added services including industry-tailored recruitment supplements and events. The senior jobs website A-performers.com gained increasing market recognition. At the same time, the continuing education product, EDUplus.com.hk, continued to be a market leader and won two awards in the "HKMA/TVB Awards for Marketing Excellence 2006".

Non-Media Operations
Trading
The Trading unit recorded good results during the year. The digital camera market in the PRC continued its uptrend and contributed to the Trading unit's 9% revenue growth. At the same time, operating profit achieved a significant increase of 129% in 2006 as compared with the previous year, which could be attributable to an improved operating environment in general, as well as a successful strategy of diversification into a new product range including other photographic products, bags and watches. The unit will continue to leverage on its distribution network to explore new business opportunities in a prudent manner.

Other Non-Media Operations
The 40%-owned Broadband Content and Distribution unit suffered from price competition and a generally stagnant market during the year. Average revenue per subscriber declined by almost one-third compared with the previous year. Accordingly, management has reassessed the value of the assets of this investment and the Group has shared a provision for impairment of HK$29.5 million in 2006.

On the other hand, the 70%-owned E-Learning and Corporate Training unit delivered respectable results for the year. With the distant learning business in co-operation with the University of International Business and Economics becoming increasingly established and recognized, it provided the unit with a stable revenue and profit base. Further growth will be generated from the unit's corporate training business which sees increasing demand.

PROSPECTS

2007 presents the Group with challenges as well as opportunities. On the one hand, market competition is expected to continue to be intense and operating costs, despite the peaking of newsprint prices, will remain high. In addition, the abolition of listed companies' newspaper announcements will negatively impact the Group's revenue and profit.

On the other hand, it is anticipated that the Hong Kong economy will continue its upturn, which bodes well for the advertising markets in general. The Group has successfully built up a balanced portfolio of media products which will take advantage of domestic as well as global growth. Our strategy of expanding into the free newspaper market has yielded positive results. Headline Daily has not only performed above expectations, but it has also opened up new advertising revenue sources which complement Sing Tao Daily's established strengths in property advertisements. Headline Daily will focus on further improving its content and circulation strategy to reinforce its leadership position in the market, and is poised to become a key contributor to the Group's growth and profitability.

In order to facilitate and support the further growth of the Group's media business, particularly Headline Daily, the Group has recently announced plans to expand its production capacity, including the lease of land, the construction of a new printing factory and the purchase of printing equipment. Total capital spending is currently estimated at approximately HK$290 million. Management will be prudent in implementing the expansion plan, and continue to be rigorous in developing our business strategy, diversifying our revenue sources and controlling costs, so as to increase our competitive edge.

EMPLOYEES

As at 31 December 2006, the Group had approximately 2,100 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.

DIVIDEND

The Board recommends a final dividend of HK2.5 cents per ordinary share for the Year payable on Thursday, 17 May 2007 to shareholders whose names appear on the register of members of the Company on Monday, 30 April 2007. Together with the interim dividend of HK2 cents per ordinary share paid to shareholders on 11 October 2006, the total annual dividend will amount to HK4.5 cents per ordinary share for the financial year (2005: HK4 cents (as adjusted to reflect the share consolidation in 2006)).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 24 April 2007 to Monday, 30 April 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend and be eligible to attend and vote at the forthcoming annual general meeting of the Company, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tengis Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 23 April 2007.

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 of Hong Kong Limited (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 5,169,000 shares at prices ranging from HK$0.94 to HK$1.30 per share on the Stock Exchange during the period from 18 May 2006 to 31 December 2006. All these repurchased shares were subsequently cancelled by the Company during the Year. 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 in 2006.

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 Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and complied with the CG Code throughout the review period.

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 Year.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the Year, 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 annual 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, 16 April 2007

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.