

---

**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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.

---

**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****ACQUISITION OF INTEREST IN A COMPANY**

---

\* *For identification purpose only*

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
Introduction .....	3
Agreement relating to the Acquisition.....	4
Reasons for and Effect of the Acquisition.....	4
General.....	5
<b>APPENDIX – GENERAL INFORMATION</b> .....	6

---

## DEFINITIONS

---

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

“Acquisition”	the acquisition of 50% of the issued share capital of the Target Company by the Purchaser as contemplated under the Agreement
“Agreement”	the term sheet dated 14 September 2007 entered into between the Purchaser and the Seller in relation to the Acquisition
“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
“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
“Latest Practicable Date”	24 September 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”	Cross Board Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Seller”	PPG Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“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

---

## DEFINITIONS

---

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Premier Printing Group Limited, a company incorporated in Hong Kong with limited liability

---

LETTER FROM THE BOARD

---



**SING TAO NEWS CORPORATION LIMITED**

**星島新聞集團有限公司\***

*(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

*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

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal Place of Business:*

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

24 September 2007

To the Shareholders

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF INTEREST IN A COMPANY**

**INTRODUCTION**

In the announcement of the Company dated 14 September 2007, the Board announced that on 14 September 2007, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Seller, pursuant to which the Purchaser agreed to acquire 50% of the entire issued share capital of the Target Company for a cash consideration of HK\$30,000,000. The Purchaser currently holds 50% of the entire issued share capital of the Target Company.

\* For identification purpose only

---

## LETTER FROM THE BOARD

---

The Acquisition constitutes 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 Acquisition and other information as required under the Listing Rules.

### **AGREEMENT RELATING TO THE ACQUISITION**

The Agreement contains, among other things, terms set out below:

#### **Parties**

Purchaser : Cross Board Group Limited

Seller : PPG Investments Limited

#### **Sale and Purchase**

The Purchaser agreed to acquire from the Seller 50% of the entire issued share capital of the Target Company.

#### **Consideration**

The consideration, being HK\$30,000,000 was determined after arm's length negotiations between the parties having regard to the need for coping with the Group's business strategy and the estimated net asset value of the Target Company at HK\$45,000,000 after making accounting adjustments prior to the completion date, and shall be payable in cash by the Purchaser to the Seller upon completion of the Acquisition. The consideration will be funded by internal resources within the Group. The estimated net asset value of the Target Company does not constitute a profit forecast under Rule 14.61 of the Listing Rules.

#### **Completion**

Completion of the Acquisition shall take place on or before 31 October 2007.

### **REASONS FOR AND EFFECT OF THE ACQUISITION**

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, it is anticipated that the Acquisition will increase the printing capacity of the Group.

The Directors (including the independent non-executive directors of the Company) consider that the terms of the Agreement including the consideration 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

---

Prior to the Acquisition, the Target Company has been treated as a jointly-controlled entity in the books of the Company. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and its assets, liabilities and results will be consolidated line-by-line into the accounts of the Group and the assets and liabilities of the Group will be increased by the same amount of approximately HK\$16,000,000 respectively. As such, there is no impact on the net assets of the Group. It is also expected that there is no immediate material effect on the earnings of the Group.

### GENERAL

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 principal business activity of the Seller is investment holding.

The Target Company is engaged in printing business. The major assets held by the Target Company are printing machinery.

Save as disclosed above and to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry by the Directors, the Seller 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 Seller which required aggregation of transactions under Rule 14.22 of the Listing Rules.

The audited net liabilities value of the Target Company for the financial year ended 31 December 2005 was HK\$55,273,428. The audited net liabilities value of the Target Company for the financial year ended 31 December 2006 was HK\$43,541,617. The audited net profits (before and after taxation and extraordinary items) of the Target Company for the financial year ended 31 December 2005 was HK\$4,713,614 and HK\$3,847,656 respectively. The audited net profits (before and after taxation and extraordinary items) of the Target Company for the financial year ended 31 December 2006 was HK\$14,034,630 and HK\$11,731,811 respectively.

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 enquiries, 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 are 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), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange 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	50.273%
Mrs. Sy Wong Chor Fong	(2)	625,000	81,959,500	82,584,500	9.741%
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 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	Total	Percentage to issued Shares (%)
Judy Inn	10.07.06	27.06.07 – 26.06.16	0.9200	2,250,000	2,250,000	0.265
Jia Hongping	28.10.05	28.10.06 – 27.10.15	0.7300	2,000,000	2,000,000	0.235
Lai Ting Yiu	28.10.05	28.10.06 – 27.10.15	0.7300	2,000,000	2,000,000	0.235
Lau Chung Man, Louis	23.05.05	23.05.06 – 22.05.15	0.7760	3,000,000	3,000,000	0.353
Lo Wing Hung	04.05.05	04.05.06 – 03.05.15	0.7700	18,000,000	18,000,000	2.123
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	0.068
Yang Yiu Chong,	31.08.01	20.09.02 – 19.09.11	0.7056	1,350,000		
Ronald Jeffrey	28.10.05	28.10.06 – 27.10.15	0.7300	1,180,000	2,530,000	0.298

*Note:* As dates are shown day/month/year

**Substantial shareholders' and other persons' interests**

As at the Latest Practicable Date, so far as is known to the Directors, the following persons, other than the Directors or chief executive of the Company, had an interest or short position in the Shares or the underlying 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	50.12%
Hong Kong Tobacco Company Limited ("HK Tobacco")	(2)	Deemed interest	424,948,000	50.12%
Stagelight	(3)	Beneficial owner	81,959,500	9.66%
Great Diamond Developments Limited		Beneficial owner	43,959,500	5.18%

*Notes:*

- (1) The interests of Mr. Ho Tsu Kwok, Charles, held through a controlled corporation, duplicates to those disclosed in the section "Directors' interest" above.
- (2) Pursuant to an option agreement dated 20 June 2001 and four supplemental agreements entered into between Luckman and HK Tobacco on 19 July 2002, 19 July 2003, 19 July 2006 and 19 July 2007, 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.
- (3) The interests of Mrs. Sy Wong Chor Fong, held through a controlled corporation, duplicates to those disclosed in the section "Directors' interest" above.

**COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**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 registrar and transfer office, Tricor 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.