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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**

The Board is pleased to announce that on 23 December 2008, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares representing 43% of the entire issued share capital of the Target Company for a cash consideration of HK\$25,709,421.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Disposal will be despatched to the Shareholders as soon as practicable.

### **THE DISPOSAL**

On 23 December 2008, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares representing 43% of the entire issued share capital of the Target Company for a cash consideration of HK\$25,709,421. On completion of the Disposal, the Target Company will continue to be a subsidiary of the Company and its results will still be consolidated into the accounts of the Group.

### **CONSIDERATION**

The consideration, being HK\$25,709,421 was determined after arm's length negotiations between the parties taking into consideration of the prospect of profit by developing the Land and shall be payable in cash by the Purchaser to the Vendor upon completion of the Disposal.

## **THE OPTION**

Pursuant to the Agreement, the Vendor shall have the right to require the Purchaser to, and the Purchaser shall upon such requirement, transfer the Sale Shares back to the Vendor in return for the transfer of 15.05% interest in the entire registered capital and paid-up capital of BXTV by the Target Company to the Purchaser. The said right shall be exercised by the Vendor within 180 days from the date of the Agreement.

## **COMPLETION**

Completion of the Disposal took place immediately after the signing of the Agreement.

## **REASONS FOR THE DISPOSAL**

The principal business activity of the Target Company, a wholly-owned subsidiary of the Company, is investment holding. BXTV, in which the Target Company currently owns 35% interest, owns the Land and is engaged in the development of the Land in the PRC. The Disposal is expected to (a) result in a net gain to the Group; (b) generate cash proceeds to the Group; and (c) increase the shareholders' base of BXTV.

It is estimated that as a result of the Disposal, the Group will record a net gain of approximately HK\$17,600,000 calculated by reference to the carrying value of the assets disposed of in the accounts amounted to approximately HK\$8,104,000 (subject to further adjustment and review by the Company's auditors for the year ending 31 December 2008) and will be recognized in the Group's consolidated income statement for the financial year ending 31 December 2008. It is the intention of the Company that the proceeds from the Disposal will be used for general working capital 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.

## **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 and E-learning and Corporate Training.

The principal business activity of the Purchaser is investment holding.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner 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 Purchaser 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 years ended 31 December 2006 and 31 December 2007 were HK\$13,863,933 and HK\$13,863,927 respectively. The audited net profits before and after taxation of the Target Company for the financial year ended 31 December 2006 were the same, HK\$7. The audited net profits before and after taxation of the Target Company for the financial year ended 31 December 2007 were the same, HK\$6.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Disposal will be despatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

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

“Agreement”	the Share Transfer Agreement dated 23 December 2008 entered into between the Vendor and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“BXTV”	北京新華電廣影視技術有限公司 (Beijing Xinhua TV Broadcasting Limited), a company incorporated in the PRC with limited liability
“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

“Disposal”	the disposal of 43% of the entire issued share capital of the Target Company by the Vendor to the Purchaser
“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 of land situated at 北京市海澱區上地信息產業基地上地東路 35 號 (No. 35, Shangdi East Road, Shangdi Information Industry Base, Haidian District, Beijing)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Purchaser”	Peak Status Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale Shares”	43 shares of HK\$10 each in the share capital of the Target Company
“Shareholder(s)”	holder(s) of the ordinary shares of HK\$0.2 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Global China Broad Band Network Company Limited, a company incorporated in Hong Kong with limited liability
“Vendor”	Sincere Wish Investment Limited, a company incorporated in British Virgin Islands with limited liability

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

Hong Kong, 23 December 2008

*As at the date of this announcement, the board of directors 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*