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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:

“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 PRC
“Land”	a piece of land situated at 北京市海淀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)
“Latest Practicable Date”	2 January 2009, 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
“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

DEFINITIONS

“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
“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

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

2 January 2009

To the Shareholders

DISCLOSEABLE TRANSACTION

INTRODUCTION

In the announcement of the Company dated 23 December 2008, the Board announced 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.

* For identification purpose only

LETTER FROM THE BOARD

The Disposal 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 Disposal and other information as required under the Listing Rules.

AGREEMENT RELATING TO THE DISPOSAL

The Agreement contains, inter alia, terms set out below:

Parties:

Vendor : Sincere Wish Investment Limited

Purchaser: Peak Status Limited

Sale and Purchase

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.

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 AND EFFECT OF 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.

LETTER FROM THE BOARD

As a result of the Disposal, the Group recorded 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 recognized in the Group's consolidated income statement for the financial year ending 31 December 2008. The assets of the Group increased approximately HK\$17,600,000 as the net gain from the Disposal. It is the intention of the Company that the proceeds from the Disposal will be used for general working capital of the Group.

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. There is no impact on the liabilities 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.

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	<i>Notes</i>	Number of Shares held, capacity and nature of interest			Percentage of the Company's issued share capital
		Personal interests	Corporate interests	Total	
Ho Tsu Kwok, Charles	(1)	–	426,197,500	426,197,500	50.387%
Sy Wong Chor Fong	(2)	625,000	81,959,500	82,584,500	9.763%
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	0.266
Jia Hongping	28.10.05	28.10.06 – 27.10.15	0.7300	2,000,000	2,000,000	0.236
Lai Ting Yiu	28.10.05	28.10.06 – 27.10.15	0.7300	2,000,000	2,000,000	0.236
Lau Chung Man, Louis	23.05.05	23.05.06 – 22.05.15	0.7760	3,000,000	3,000,000	0.354
Lo Wing Hung	04.05.05	04.05.06 – 03.05.15	0.7700	18,000,000	18,000,000	2.128
Sy Wong Chor Fong	31.08.01 28.10.05	20.09.02 – 19.09.11 28.10.06 – 27.10.15	0.7056 0.7300	200,000 377,000	577,000	0.068
Yang Yiu Chong, Ronald Jeffrey	31.08.01 28.10.05	20.09.02 – 19.09.11 28.10.06 – 27.10.15	0.7056 0.7300	1,350,000 1,180,000	2,530,000	0.299

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	50.23%
Hong Kong Tobacco Company Limited ("HK Tobacco")	(2)	Deemed interest	424,948,000	50.23%
Stagelight	(3)	Beneficial owner	81,959,500	9.68%
Great Diamond Developments Limited		Beneficial owner	43,959,500	5.19%

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 five supplemental agreements entered into between Luckman and HK Tobacco on 19 July 2002, 19 July 2003, 19 July 2006, 19 July 2007 and 19 July 2008, 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.