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 2008

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 2008 (the "Year") together with the comparative figures for the previous year as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2008

	Notes	**2008**	2007
		HK$'000	HK$'000
REVENUE	3	**2,432,780**	2,254,223
Cost of sales		**(1,904,745)**	(1,642,999)
Gross profit		**528,035**	611,224
Other income and gains/(losses), net		**(142,313)**	24,305
Distribution costs		**(262,245)**	(275,223)
Administrative expenses		**(312,674)**	(305,186)
Other expenses		**(13,610)**	(5,844)
Recovery of fair value losses on derivative financial instruments	4	**50,952**	98,671
Finance costs		**(8,556)**	(7,002)
Gain on disposal of interest in a subsidiary		**17,605**	-
Excess over the cost of a business combination		**-**	22,241
Share of profits and losses of:			
Jointly-controlled entities		**19,741**	11,406
Associates		**5,922**	(24)
Reversal of impairment of amounts due from jointly-controlled entities		**920**	11,291
Impairment of amounts due from jointly-controlled entities		**(36,080)**	(3,788)
Reversal of impairment of an amount due from an associate		**43**	-
PROFIT/(LOSS) BEFORE TAX	5	**(152,260)**	182,071

** For identification purpose only*

CONDENSED CONSOLIDATED INCOME STATEMENT

(continued)
Year ended 31 December 2008

	Notes	**2008** **HK$'000**	2007 HK$'000
PROFIT/(LOSS) BEFORE TAX	5	**(152,260)**	182,071
Tax	6	**10,246**	(22,454)
PROFIT/(LOSS) FOR THE YEAR		**(142,014)**	159,617
Attributable to:			
Equity holders of the Company		**(141,984)**	159,617
Minority interests		**(30)**	-
		(142,014)	159,617
DIVIDENDS	7		
Interim		**16,938**	21,194
Proposed final		**8,458**	21,201
		25,396	42,395
Earnings/(loss) per share attributable to ordinary equity holders of the Company – (HK cents)	8		
Basic		**(16.76)**	18.52
Diluted		**N/A**	18.05

CONDENSED CONSOLIDATED BALANCE SHEET

31 December 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**698,201**	678,345
Investment properties		**28,536**	35,268
Prepaid land lease payments		**26,312**	27,013
Property under development		**84,191**	-
Goodwill		**857**	857
Other intangible assets		**15,088**	16,214
Interests in jointly-controlled entities		**119,727**	175,058
Interests in associates		**42,685**	38,998
Available-for-sale investments		**7,272**	7,512
Deferred tax assets		**7,301**	7,932
Deposits paid		**8,138**	56,600
Total non-current assets		**1,038,308**	1,043,797
CURRENT ASSETS			
Inventories		**99,650**	88,903
Trade receivables	9	**376,853**	397,168
Prepayments, deposits and other receivables		**100,517**	144,457
Financial assets at fair value through profit or loss		**41,728**	366,230
Derivative financial instruments		**667**	7,242
Loans to jointly-controlled entities		**-**	63,675
Tax recoverable		**8,529**	8,925
Pledged time deposits		**-**	22,560
Cash and cash equivalents		**431,400**	397,386
Total current assets		**1,059,344**	1,496,546
CURRENT LIABILITIES			
Trade and bills payables	10	**110,330**	129,344
Other payables and accruals		**257,887**	272,794
Derivative financial instruments		**2,803**	109,410
Tax payable		**80,393**	84,718
Interest-bearing bank borrowings		**70,000**	220,000
Finance lease and hire purchase contract payables		**1,223**	1,346
Total current liabilities		**522,636**	817,612
NET CURRENT ASSETS		**536,708**	678,934
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,575,016**	1,722,731

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

31 December 2008

	2008	2007
	HK$'000	HK$'000
NON-CURRENT LIABILITIES		
Finance lease and hire purchase contract payables	**2,231**	3,438
Deferred tax liabilities	**45,234**	48,034
Total non-current liabilities	**47,465**	51,472
Net assets	**1,527,551**	1,671,259
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	**169,168**	169,611
Reserves	**1,306,700**	1,480,447
Proposed final dividend	**8,458**	21,201
	1,484,326	1,671,259
Minority interests	**43,225**	-
Total equity	**1,527,551**	1,671,259

NOTES TO THE CONDENSED 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 2007.

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and complied with the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, leasehold land and 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 interpretations and amendments to HKFRSs for the first time for the current year's financial statements. The adoption of these new interpretations and amendments has had no significant effect on these financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*
HK(IFRIC)-Int 11	*HKFRS 2 – Group and Treasury Share Transactions*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

2. Impact of new and revised Hong Kong Financial Reporting Standards (continued)

The principal effects of adopting these new interpretations and amendments to HKFRSs are as follows:

(a) Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*

The amendments to HKAS 39 permit an entity to reclassify a non-derivative financial asset classified as held for trading, other than a financial asset designated by an entity as at fair value through profit or loss upon initial recognition, out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing in the near term, if specified criteria are met.

A debt instrument that would have met the definition of loans and receivables (if it had not been required to be classified as held for trading at initial recognition) may be classified out of the fair value through profit or loss category or (if it had not been designated as available for sale) may be classified out of the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold it for the foreseeable future or until maturity.

In rare circumstances, financial assets that are not eligible for classification as loans and receivables may be transferred from the held-for-trading category to the available-for-sale category or to the held to maturity category (in the case of a debt instrument), if the financial asset is no longer held for the purpose of selling or repurchasing in the near term.

The financial asset shall be reclassified at its fair value on the date of reclassification and the fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable. The amendments to HKFRS 7 require extensive disclosures of any financial asset reclassified in the situations described above. The amendments are effective from 1 July 2008.

As the Group has not reclassified any of its financial instruments, the amendments have had no impact on the financial position or results of operations of the Group.

(b) HK(IFRIC)-Int 11 *HKFRS 2 – Group and Treasury Share Transactions*

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group buys the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group's current policy for group and treasury share transactions align with the requirements of the interpretation, the interpretation has had no financial impact on the Group.

2. Impact of new and revised Hong Kong Financial Reporting Standards (continued)

(c) HK(IFRIC)-Int 12 *Service Concession Arrangements*

HK(IFRIC)-Int 12 applies to service concession operators and explains how to account for obligation undertaken and the rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has had no impact on the financial position or results of the operations of the Group.

(d) HK(IFRIC)-Int 14 *HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits*, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, including situations when a minimum funding requirement exists. As the Group has no defined benefit scheme, the interpretation has no effect on these financial statements.

3. Segment Information – business segments

	Media		Trading		Corporate and others		Eliminations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:										
Sales to external customers	**1,700,391**	1,637,392	**728,682**	613,248	**3,707**	3,583	**-**	-	**2,432,780**	2,254,223
Intersegment sales	**328**	328	**-**	-	**138,114**	109,148	**(138,442)**	(109,476)	**-**	-
Other income and gains/(losses), net	**27,080**	8,203	**4,928**	6,330	**(123,369)**	108,443	**-**	-	**(91,361)**	122,976
Intersegment other income	**1**	4	**-**	-	**1,405**	1,025	**(1,406)**	(1,029)	**-**	-
Total	**1,727,800**	1,645,927	**733,610**	619,578	**19,857**	222,199	**(139,848)**	(110,505)	**2,341,419**	2,377,199
Segment results	**12,843**	41,842	**16,789**	15,634	**(181,487)**	90,471			**(151,855)**	147,947
Finance costs									**(8,556)**	(7,002)
Gain on disposal of interest in a subsidiary	**-**	-	**-**	-	**17,605**	-			**17,605**	-
Excess over the cost of a business combination	**-**	22,241	**-**	-	**-**	-			**-**	22,241
Share of profits and losses of:										
Jointly-controlled entities	**17,338**	23,290	**-**	-	**2,403**	(11,884)			**19,741**	11,406
Associates	**-**	-	**-**	-	**5,922**	(24)			**5,922**	(24)
Reversal of impairment of amounts due from jointly-controlled entities	**-**	10,425	**-**	-	**920**	866			**920**	11,291
Impairment of amounts due from jointly-controlled entities	**-**	-	**-**	-	**(36,080)**	(3,788)			**(36,080)**	(3,788)
Reversal of impairment of an amount due from an associate	**-**	-	**-**	-	**43**	-			**43**	-
Profit/(loss) before tax									**(152,260)**	182,071
Tax									**10,246**	(22,454)
Profit/(loss) for the year									**(142,014)**	159,617

3. Segment Information – business segments (continued)

	Media		Trading		Corporate and others		Eliminations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Assets and liabilities										
Segment assets	**975,020**	1,028,842	**159,275**	136,036	**785,115**	1,080,877	**-**	-	**1,919,410**	2,245,755
Interests in jointly-controlled entities	**102,030**	157,885	**-**	-	**17,697**	17,173	**-**	-	**119,727**	175,058
Loans to jointly-controlled entities	**-**	-	**-**	-	**-**	63,675	**-**	-	**-**	63,675
Interests in associates	**11**	12	**-**	-	**42,674**	38,986	**-**	-	**42,685**	38,998
Unallocated assets									**15,830**	16,857
Total assets									**2,097,652**	2,540,343
Segment liabilities	**246,413**	278,310	**31,871**	35,993	**92,736**	197,245	**-**	-	**371,020**	511,548
Unallocated liabilities									**199,081**	357,536
Total liabilities									**570,101**	869,084

4. Recovery of fair value losses on derivative financial instruments

The treasury function of the Group has been managed by a treasurer, who is an employee of the Group (the "Treasurer"). As a result of her non-compliance with certain rules of the Group's investment guidelines during the year ended 31 December 2007, on 7 December 2007, the Treasurer entered into two deeds of settlement (the "Deeds") with the Group pursuant to which any and all losses, costs, expenses, damages and liabilities incurred in connection with certain gold and forward foreign exchange derivative financial instruments (the "Contracts") would be borne by the Treasurer.

Fair value losses arising from the Contracts of approximately HK$98,671,000 were recorded in the consolidated income statement for the year ended 31 December 2007, and the corresponding income from recovery of fair value losses of the same amount was also recorded in the consolidated income statement for the year ended 31 December 2007.

In order for the Group, as a primary obligor under the Contracts, to mitigate its future potential losses so arising, the Group has facilitated the Treasurer, by way of trading facilities, to hedge against the potential losses from the Contracts by entering into certain restricted derivative contracts subsequent to the balance sheet date (the "Subsequent Contracts"), and the Treasurer will be solely responsible for any and all losses arising therefrom. The Treasurer is required to settle within the following month after each month end the realised losses arising from the Contracts, after taking account of any realised gains or losses arising from the Subsequent Contracts.

During the year, on 30 June 2008, the Group entered into a novation agreement with a bank and a company beneficially and wholly-owned by the Treasurer, whereby the Group novated to that company the rights, liabilities, duties and obligations on the part of the Group under certain parts of the Subsequent Contracts which matured during the period from 7 July 2008 to 16 March 2009 with an aggregate carrying amount of approximately HK$37,890,000 at the date of novation.

For the year ended 31 December 2008, the aggregate fair value losses arising from the Contracts and Subsequent Contracts of approximately HK$50,952,000 were recorded in the consolidated income statement, and the corresponding income from recovery of fair value losses of the same amount was also recorded in the consolidated income statement for the year ended 31 December 2008.

As at 31 December 2008, the cumulative fair value losses arising from the Contracts and Subsequent Contracts have been fully settled by the Treasurer, of which HK$2,400,000 was settled in 2007 and the remaining HK$147,223,000 was settled in 2008. As at 31 December 2007, the unsettled fair value losses arising from the Contracts of approximately HK$96,271,000 were included in derivative financial liabilities and the corresponding receivable from the Treasurer of approximately HK$96,271,000 was recorded under prepayments, deposits and other receivables in the consolidated balance sheet as at that date. As at 31 December 2008, there was no outstanding balance with the Treasurer.

5. Profit/(loss) before tax

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

	2008	2007
	HK$'000	HK$'000
Investment income	**(5,369)**	(24,842)
Dividend income from an available-for sales unlisted investment	**-**	(789)
Dividend income from listed equity investments	**(1,349)**	(4,616)
Fair value losses/(gains), net on:		
Available-for-sale investments	**-**	(3,678)
Financial assets at fair value through profit or loss	**210,831**	(155,193)
Derivative financial instruments – transactions not qualifying as hedges	**(12,889)**	208,105
Cost of inventories sold	**1,135,301**	867,538
Depreciation	**107,744**	51,595
Amortisation of intangible assets	**1,126**	1,115

6. Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. The lower Hong Kong profits tax rate is effective from the year of assessment 2008/2009, and so is applicable to the assessable profits arising in Hong Kong for the whole year ended 31 December 2008. 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.

	2008	2007
	HK$'000	HK$'000
Current:		
Charge for the year:		
The People's Republic of China:		
Hong Kong	**2,903**	9,465
Elsewhere	**295**	72
Elsewhere	**2,363**	10,918
Overprovision in prior years	**(12,895)**	(4,531)
Deferred	**(2,912)**	6,530
Total tax charge/(credit) for the year	**(10,246)**	22,454

7. Dividends

	2008	2007
	HK$'000	HK$'000
Interim – HK2.0 cents (2007: HK2.5 cents) per ordinary share	**16,938**	21,194
Proposed final dividend – HK1.0 cent (2007: HK2.5 cents) per ordinary share	**8,458**	21,201
	25,396	42,395

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/(loss) per share attributable to ordinary equity holders of the Company

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the year.

The diluted loss per share for the year ended 31 December 2008 has not been presented as the conversion of the outstanding share options would have an anti-dilutive effect on the basic loss per share for the year.

The calculation of diluted earnings per share for the year ended 31 December 2007 was based on the profit for that 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 was the number of ordinary shares in issue during that year, 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 dilutive potential ordinary shares into ordinary shares.

8. Earnings/(loss) per share attributable to ordinary equity holders of the Company (continued)

The calculations of basic and diluted earnings/(loss) per share are based on:

	2008	2007
	HK$'000	HK$'000
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	**(141,984)**	159,617

	Number of shares	
	2008	2007
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	**847,046,111**	862,056,781
Effect of dilution – weighted average number of ordinary shares:		
Share options	**-**	22,235,299
	847,046,111	884,292,080

9. Trade receivables

	2008	2007
	HK$'000	HK$'000
Trade receivables	**394,137**	412,239
Impairment	**(17,284)**	(15,071)
	376,853	397,168

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.

9. Trade receivables (continued)

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

	2008 HK$'000	2007 HK$'000
Current to 30 days	**256,334**	264,107
31 to 60 days	**53,428**	56,742
61 to 90 days	**30,444**	33,767
91 to 120 days	**13,397**	16,410
Over 120 days	**40,534**	41,213
	394,137	412,239

The movements in provision for impairment of trade receivables are as follows:

	2008 HK$'000	2007 HK$'000
At 1 January	**15,071**	14,895
Impairment losses recognised	**6,247**	2,067
Amounts written off as uncollectible	**(3,431)**	(1,999)
Exchange realignment	**(603)**	108
At 31 December	**17,284**	15,071

The individually impaired trade receivables with an aggregate carrying amount of HK$17,284,000 (2007: HK$15,071,000) relate to customers that were in financial difficulties or were in default of payments and the receivables are not expected to be recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

An aged analysis of the trade receivables that are not considered to be impaired is as follows:

	2008 HK$'000	2007 HK$'000
Current to 30 days	**255,992**	264,077
31 to 60 days	**53,428**	56,673
61 to 90 days	**30,405**	33,687
91 to 120 days	**13,094**	16,323
Over 120 days	**23,934**	26,408
	376,853	397,168

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

9. Trade receivables (continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

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:

	2008	2007
	HK$'000	HK$'000
Current to 30 days	**91,411**	118,125
31 to 60 days	**5,547**	5,207
61 to 90 days	**2,217**	1,510
91 to 120 days	**599**	2,766
Over 120 days	**10,556**	1,736
	110,330	129,344

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Media and Media-related Operations

Growth in the Group's Media operations during the first half of 2008 gave way to the economic downturn brought on by the financial tsunami in the latter part of the year, and overall revenue increased modestly from approximately HK$1,645.9 million in 2007 to approximately HK$1,727.8 million in 2008, or by 5%. During the first three quarters of 2008, the advertising market benefited from the relatively buoyant economy and the positive sentiment ushered in by the Olympic Games. In line with the market, the majority of the Group's Newspapers and Magazines recorded satisfactory growth during this period, with particularly encouraging performance by Headline Daily. However, in the final quarter of 2008 the slowdown in the economy somewhat reversed the earlier increase. Coupled with the erosion in The Standard's revenue due to the abolition of listed companies' newspaper announcements and the negative impact of high newsprint prices throughout the year, the Group's Media operations reported a decline in segment profit from approximately HK$41.8 million in 2007 to approximately HK$12.8 million in 2008.

Newspapers

Sing Tao Daily celebrated its 70th anniversary in 2008. This flagship newspaper of the Group's has progressed and changed alongside Hong Kong for seven decades, and has always remained committed to providing top-quality and pertinent news reporting and content. Thanks to its superior editorial competence, Sing Tao Daily has consistently gained the support of its middle-class readers. According to an independent survey, the readership of Sing Tao Daily has continued to advance in 2008, and it was one of only two paid Chinese newspapers in Hong Kong to have recorded a readership increase in 2008 as compared with 2007.

In addition to ongoing improvements in the newspaper's content, Sing Tao Daily also expended efforts on its online services. In 2008, it introduced an enhanced version of the "Sing Tao Education Website" (edu.singtao.com) with all-new content on language and liberal studies, offering a comprehensive interactive learning platform. In addition, the Sing Tao Daily e-paper (epaper.singtao.com) was launched, allowing subscribers to access the full version of the newspaper online. These initiatives served to strengthen the traditional print business and position Sing Tao Daily for its multi-media development. In terms of advertising, Sing Tao Daily continued to diversify its customer base and gained market share in the non-property sectors, notably in banking services and retail, thus reducing its dependence on property advertisements which saw a retreat in 2008.

Despite the negative impact of the financial tsunami, Headline Daily maintained its growth momentum throughout 2008 and made significant contribution to the Group's revenue and profit during the year. Free newspapers emerged a winner in 2008's advertising market, accounting for the highest growth rate in advertising spending amongst all media categories; and Headline Daily, the number one free newspaper in Hong Kong, stood to benefit most from this trend. Positioned for mass market readers, Headline Daily commanded an average circulation in excess of 700,000 copies, and was the free newspaper with the largest number of readers in 2008, according to an independent survey. This makes Headline Daily a highly effective advertising medium, thus generating substantial growth in both advertising volume and average page rates. Market share was won in all advertising sectors that registered increases in 2008. To reinforce its positioning as a mainstream newspaper, Headline Daily kept on its pursuit of high-quality content, including the introduction of a series of exclusive columns and a Saturday version launched in July 2008. Headline Daily's website (hkheadline.com) also underwent a major upgrade to include a wide array of practical and interactive information, and has become one of the most popular newspaper websites in Hong Kong.

The Standard's financial results in 2008 declined when compared with the previous year, largely as a result of the drop in revenue due to the abolition of newspaper notices by listed companies. In addition, the financial slump also inhibited capital markets activity and hence their related advertisements. On the other hand, since switching to a free newspaper model in September 2007, The Standard has enjoyed favourable response from non-notices advertisers, who saw in the paper a new effective platform to access the middle-class and young professionals with high spending power. This has opened up significant new revenue sources for The Standard. Average circulation in 2008 rose to over 200,000 copies, thanks to the fast-growing appetite for the free sheet. As a new initiative, The Standard took over the operation of The PEAK Hong Kong, an upscale English magazine acquired by the Group in October 2008. The synergies between the two publications will help to boost the market presence of both titles and increase their penetration among luxury brand advertisers.

The North American and European markets have borne the brunt of the financial crisis with their economies going into a severe recession, and the adverse conditions have already taken its toll on the newspaper industry in the US with a number of players pulling out of the market. Inevitably the financial results of Sing Tao Daily's overseas operations in 2008 were also affected. Profit margins in particular suffered, as a result of soaring newsprint prices and other material costs. Faced with the challenging environment, the overseas operations made every effort to augment its revenue and minimize its outlays. Flexible, pro-active and innovative advertising strategies were employed to tap into new revenue opportunities. Stringent control measures were adopted to counteract the mounting cost pressure, including saving on newsprint consumption, streamlining the delivery mechanism, cutting back on overheads and further improving operational efficiencies. At the same time, the overseas operations continued to enrich the quality of their products to ensure they remained competitive.

Magazines

The Group's Magazine unit made further progress in 2008, riding on the growth in advertising spending in Hong Kong's magazine market during the year. All the titles within the unit delivered sound results, though the impact of the economic slowdown began to make its mark in the final months of the year.

The improvement in the unit's performance was most evident at East Week, the Group's flagship magazine, which recorded double-digit increases in advertising revenue, circulation revenue as well as readership in 2008. The magazine's unswerving efforts on maintaining first-rate content and a premium brand positioning have allowed it to garner a base of high-quality readers, in turn attracting high-end advertisers. As a result, both advertising volume and average page rates continued to gain ground. East Week's performance was relatively unscathed in 2008 as the advertising categories initially most affected by the financial crisis, namely banking / investment and real estate, represented only a small portion of its client base. However, the negative impact has begun to spread to the luxury and other consumption sectors.

East Touch, JET and PC Market continued on a steady trend and remained a market leader in their respective segments. East Touch celebrated its 700th issue in October 2008 and PC Market also marked its 800th issue in November. Both magazines have been active in spearheading a number of prominent events that were highly commended in their own fields, and brought in additional revenue whilst raising the brand awareness of the titles at the same time. Spiral, the leading watch magazine acquired in 2007, has not only made contribution to profit but also extended the unit's standing in the high-end magazine segment. During the year, the unit also leveraged on its expertise in magazine publishing to engage in custom publishing for corporate customers.

Recruitment Media

The recruitment advertising market in Hong Kong was largely subdued in 2008. The unemployment rate reversed to an uptrend in 2008 after falling to a 10-year low in 2007, and the number of job vacancies in Hong Kong plummeted by over 60% in the fourth quarter of 2008. In addition, the shift from print media to online media continued, with the number of jobs advertised in print media registering a 19% decrease in 2008 as a whole. Adding to the adversity was the high newsprint prices. Although the performance of the Group's Recruitment Media unit suffered a deterioration in 2008, the unit managed to grow its online revenue by 40% during the year. The website headlinejobs.hk, regularly featuring innovative content and functions, has seen substantial gains in market share since its launch in October 2007, and has become the number two jobs website in Hong Kong with a premium membership profile.

Non-Media Operations

Trading

Consistent with previous years, the Trading unit delivered solid financial results, with a 18% increase in revenue, from approximately HK$619.6 million in 2007 to approximately $733.6 million in 2008; and segment profit increased by 7% from approximately HK$15.6 million to HK$16.8 million. For the most part of 2008, the market for digital cameras in the PRC was robust, fuelled by the relatively upbeat market sentiment brought by the hosting of the Olympic Games. However, unit prices were suppressed by competition and profit margins were eroded by high operating costs due to the inflationary environment. Given the sluggish economy at present, the Trading unit will continue to shore up its efficiency and be prudent in developing new business opportunities.

Prospects

The outlook for 2009 is uncertain, if not gloomy. The knock-on effects of the financial storm are still coming to light, and the common view is that the worst is not yet over. The Hong Kong economy has sunk into recession and negative GDP growth is forecast for 2009. Industry experts predict that local advertising spending will shrink, as is already seen in the last two to three months. With the stimulus measures being taken by governments around the world, we all hope for an economic recovery as soon as possible, but there is no way to predict accurately when that will come about.

The Group is taking prompt measures to address the challenges that we face. We shall consolidate our strengths and build on our advantages of strong brand, a solid business foundation and a balanced portfolio of products. Quality remains at the forefront of our strategy, and we shall continue to give priority to high-quality products for our high-quality readers and advertisers. In the current market environment, our leadership in the free newspaper market has given us an extra competitive edge, as advertisers seek out the most cost effective medium to generate maximum return on their advertising dollars.

On the expenditure side, newsprint prices have finally started to come down and will work in favour of our efforts to contain costs. The Group has started to streamline all aspects of our workflow and optimise our use of resources to ensure that our operation base is as efficient as possible to help us weather the tough times.

Employees

As at 31 December 2008, the Group had approximately 2,380 employees.

The Group remunerates its employees based on individual and business performance. 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 HK1.0 cent per ordinary share for the Year payable on Thursday, 21 May 2009 to shareholders whose names appear on the register of members of the Company on Thursday, 7 May 2009. Together with the interim dividend of HK2.0 cents per ordinary share paid to shareholders on 8 October 2008, the total annual dividend will amount to HK3.0 cents per ordinary share for the financial year (2007: HK5.0 cents).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 4 May 2009 to Thursday, 7 May 2009, 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, Tricor Tengis Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 30 April 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has repurchased a total of 2,516,000 shares at prices ranging from HK$0.36 to HK$1.20 per share on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the Year. All these repurchased shares were subsequently cancelled by the Company during the Year. Apart from this, the Company had not redeemed, and neither had the Company nor any of its subsidiaries purchased or sold, any of the Company's listed securities in 2008.

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 with deviations from certain code provisions of the CG Code specified and explained below.

The Board held three regular meetings instead of four as required by the code provision A.1.1 for efficiency consideration during the Year. The regular meetings were held to consider and approve, among other things, the annual results, interim results and annual budget of the Group.

According to the code provision E.1.2, the Chairman of the Board shall attend the annual general meeting of the Company. The Chairman of the Board did not attend the annual general meeting held in 2008 due to an unexpected business engagement.

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 FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.singtaonewscorp.com. The 2008 annual report will also be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.singtaonewscorp.com 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, 8 April 2009

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 and 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.