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 2010

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 2010 (the "Year") together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
REVENUE	3	**2,909,661**	2,574,964
Cost of sales		**(2,143,071)**	(1,954,712)
Gross profit		**766,590**	620,252
Other income and gains		**54,448**	37,217
Gain on loss of control in a subsidiary		**11,474**	-
Distribution costs		**(281,317)**	(246,462)
Administrative expenses		**(322,144)**	(303,571)
Other expenses		**(7,774)**	(7,041)
Finance costs		**(2,130)**	(1,896)
Share of profits and losses of:			
Jointly-controlled entities		**31,474**	16,960
An associate		**(951)**	(4,007)
Gain on disposal of an associate		**-**	24
Impairment of amounts due from jointly-controlled entities		**(3,945)**	(949)
Impairment of an amount due from an associate		**-**	(45)
PROFIT BEFORE TAX	4	**245,725**	110,482
Income tax credit/(expense)	5	**(8,484)**	4,054
PROFIT FOR THE YEAR		**237,241**	114,536

* *For identification purpose only*

CONSOLIDATED INCOME STATEMENT (continued)

Year ended 31 December 2010

	Note	**2010** **HK$'000**	2009 HK$'000
Attributable to:			
Owners of the Company		**240,443**	121,139
Non-controlling interests		**(3,202)**	(6,603)
		237,241	114,536
Earnings per share attributable to ordinary equity holders of the Company – (HK cents)	7		
Basic		**28.12**	14.32
Diluted		**27.31**	N/A

Details of the dividends payable and proposed for the year are disclosed in note 6.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	2010	2009
	HK$'000	HK$'000
PROFIT FOR THE YEAR	**237,241**	114,536
OTHER COMPREHENSIVE INCOME		
Gains on property revaluation	**17,044**	6,060
Income tax effect	**(5,509)**	(2,108)
	11,535	3,952
Available-for-sale investments:		
Changes in fair value	**1,853**	(1,261)
Reclassification adjustment for losses included in the consolidated income statement - impairment losses	**47**	3,055
	1,900	1,794
Share of other comprehensive income of an associate	**-**	624
Exchange differences on translation of foreign operations	**11,112**	23,468
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**24,547**	29,838
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**261,788**	144,374
Attributable to:		
Owners of the Company	**264,990**	150,977
Non-controlling interests	**(3,202)**	(6,603)
	261,788	144,374

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2010

	Notes	**2010**	2009
		HK$'000	HK$'000
			(Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**678,692**	675,420
Investment properties		**37,246**	32,552
Property under development		**-**	95,882
Goodwill		**857**	7,099
Other intangible assets		**12,837**	13,963
Investments in jointly-controlled entities		**127,945**	130,681
Investment in an associate		**61,507**	-
Available-for-sale investments		**50,088**	55,235
Deposit for an investment		**27,443**	29,243
Deferred tax assets		**11,840**	11,560
Other deposits paid		**36,008**	12,081
Total non-current assets		**1,044,463**	1,063,716
CURRENT ASSETS			
Inventories		**107,256**	65,782
Trade receivables	8	**518,399**	459,967
Prepayments, deposits and other receivables		**53,545**	94,730
Financial assets at fair value through profit or loss		**58,654**	41,296
Tax recoverable		**601**	713
Cash and cash equivalents		**566,006**	409,327
Total current assets		**1,304,461**	1,071,815
CURRENT LIABILITIES			
Trade and bills payables	9	**140,009**	119,210
Other payables and accruals		**238,244**	207,860
Tax payable		**76,304**	84,022
Interest-bearing bank borrowing		**-**	30,000
Finance lease and hire purchase contract payables		**1,670**	1,565
Total current liabilities		**456,227**	442,657
NET CURRENT ASSETS		**848,234**	629,158
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,892,697**	1,692,874

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2010

	2010	2009
	HK$'000	HK$'000
		(Restated)
NON-CURRENT LIABILITIES		
Finance lease and hire purchase contract payables	**5,563**	5,723
Deferred tax liabilities	**37,639**	36,554
Total non-current liabilities	**43,202**	42,277
Net assets	**1,849,495**	1,650,597
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**174,023**	169,168
Reserves	**1,631,610**	1,423,846
Proposed final dividend	**43,511**	25,419
	1,849,144	1,618,433
Non-controlling interests	**351**	32,164
Total equity	**1,849,495**	1,650,597

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 2009.

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, accounting principles generally accepted in Hong Kong and 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 when otherwise indicated.

Basis of consolidation

Basis of consolidation from 1 January 2010

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

Basis of consolidation prior to 1 January 2010

Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

1. Basis of preparation (continued)

- Acquisitions of non-controlling interests (formerly known as minority interests), prior to 1 January 2010, were accounted for using the parent entity extension method, whereby the differences between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the parent shareholders.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 January 2010 has not been restated.

2. Changes in accounting policy and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of Term Loan that Contains a Repayment on Demand Clause*

2. Changes in accounting policy and disclosures (continued)

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in *Improvements to HKFRSs 2009* and HK Interpretation 4 (Revised in December 2009), the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates,* HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 January 2010.

(b) *Improvements to HKFRSs 2009* issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

HKAS 7 *Statement of Cash Flows*: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

HKAS 17 *Leases*: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

2. Changes in accounting policy and disclosures (continued)

Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases* is revised as a consequence of the amendment to HKAS 17 *Leases* included in *Improvements to HKFRSs 2009*. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

The Group has reassessed its leases in Hong Kong, previously classified as operating leases, upon the adoption of the amendments. As substantially all the risks and rewards associated with the leases in Hong Kong have been transferred to the Group, the leases in Hong Kong have been reclassified from operating leases under "prepaid land lease payments" to finance leases under "property, plant and equipment".

As at 31 December 2009, the carrying amounts of prepaid land lease included in non-current assets and current assets of approximately HK$25,609,000 and HK$702,000, respectively (1 January 2009: HK$26,312,000 and HK$702,000, respectively), were reclassified as "land and buildings" under "property, plant and equipment". The amortisation of prepaid land lease payments for the year ended 31 December 2009 of approximately HK$702,000 was reclassified as depreciation of property, plant and equipment.

3. Operating segment information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the media segment publishes and distributes newspapers, magazines and books to readers in Hong Kong, Canada, the United States of America, Europe and Australia, and sells the respective content of such publications in Hong Kong and Mainland China;

(b) the trading segment trades photographic products; and

(c) the others segment comprises the Group's Internet and information consultancy services, investment and property holding and development business together with corporate expense items.

3. Operating segment information (continued)

	Media HK$'000	Trading HK$'000	Others HK$'000	Total HK$'000
Year ended 31 December 2010				
Segment revenue:				
Sales to external customers	1,951,303	954,527	3,831	2,909,661
Intersegment sales	2,265	-	151,570	153,835
	1,953,568	954,527	155,401	3,063,496
Reconciliation:				
Elimination of intersegment sales				(153,835)
Revenue				2,909,661
Segment results	210,889	20,641	16,325	247,855
Reconciliation:				
Finance costs				(2,130)
Profit before tax				245,725
Segment assets	1,698,588	125,249	512,646	2,336,483
Reconciliation:				
Corporate and unallocated assets				12,441
Total assets				2,348,924
Segment liabilities	307,853	16,587	53,813	378,253
Reconciliation:				
Corporate and unallocated liabilities				121,176
Total liabilities				499,429
Other segment information:				
Share of profits and losses of:				
Jointly-controlled entities	30,220	-	1,254	31,474
An associate	-	-	(951)	(951)
Impairment losses recognised in the income statement	5,233	-	9,469	14,702
Depreciation and amortisation	74,053	442	2,172	76,667
Bank interest income	2,138	139	2,623	4,900
Investments in jointly-controlled entities	109,798	-	18,147	127,945
Investments in an associate	-	-	61,507	61,507
Capital expenditure*	90,873	495	60,899	152,267

* Capital expenditure consists of additions to property, plant and equipment, property under development, intangible assets and investment properties.

3. Operating segment information (continued)

	Media HK$'000	Trading HK$'000	Others HK$'000	Total HK$'000
Year ended 31 December 2009				
Segment revenue:				
Sales to external customers	1,644,981	926,561	3,422	2,574,964
Intersegment sales	1,923	-	142,495	144,418
	1,646,904	926,561	145,917	2,719,382
Reconciliation:				
Elimination of intersegment sales				(144,418)
Revenue				2,574,964
Segment results	76,202	15,867	20,309	112,378
Reconciliation:				
Finance costs				(1,896)
Profit before tax				110,482
Segment assets	1,474,511	145,355	503,392	2,123,258
Reconciliation:				
Corporate and unallocated assets				12,273
Total assets				2,135,531
Segment liabilities	266,898	25,676	34,496	327,070
Reconciliation:				
Corporate and unallocated liabilities				157,864
Total liabilities				484,934
Other segment information:				
Share of profits and losses of:				
Jointly-controlled entities	13,974	-	2,986	16,960
An associate	-	-	(4,007)	(4,007)
Impairment losses recognised in the income statement	8,537	-	-	8,537
Depreciation and amortisation	38,126	517	43,036	81,679
Bank interest income	3,679	277	508	4,464
Investments in jointly-controlled entities	109,861	-	20,820	130,681
Capital expenditure	37,574	3	13,483	51,060

4. Profit before tax

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

	2010 HK$'000	2009 HK$'000
Investment income	-	(592)
Dividend income from listed equity investments	(988)	(5,368)
Dividend income from an unlisted available-for-sale investment	-	(2,236)
Fair value losses/(gains), net on:		
Financial assets at fair value through profit or loss	(22,042)	(17,651)
Derivative financial instruments – transactions not qualifying as hedges	6,129	(5,352)
Investment properties	(3,239)	(259)
Impairment losses on available-for-sale investments	7,047	3,055
Cost of inventories sold	1,412,591	1,285,120
Depreciation	75,541	80,554
Amortisation of intangible assets	1,126	1,125

5. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) 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.

	2010 HK$'000	2009 HK$'000
Current:		
Charge for the year:		
The People's Republic of China:		
Hong Kong	2,449	2,191
Elsewhere	517	348
Elsewhere	16,786	8,428
Overprovision in prior years	(6,828)	(393)
Deferred	(4,440)	(14,628)
Total tax expense/(credit) for the year	8,484	(4,054)

6. Dividends

	2010	2009
	HK$'000	HK$'000
Interim – HK3.5 cents (2009: HK1.0 cent) per ordinary share	**30,115**	8,458
Proposed final – HK5.0 cents (2009: HK3.0 cents) per ordinary share	**43,511**	25,419
	73,626	33,877

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

7. 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.

The calculation of diluted earnings per share for the year ended 31 December 2010 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 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.

The diluted earnings per share for the year ended 31 December 2009 had not been presented as the conversion of the outstanding share options did not have dilutive effect on the basic earnings per share for that year.

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

	2010	2009
	HK$'000	HK$'000
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**240,443**	121,139

	Number of shares	
	2010	2009
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**855,041,230**	845,837,537
Effect of dilution – weighted average number of ordinary shares: Share options	**25,233,591**	-
	880,274,821	845,837,537

8. Trade receivables

	2010	2009
	HK$'000	HK$'000
Trade receivables	**534,486**	475,183
Impairment	**(16,087)**	(15,216)
	518,399	459,967

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 receivables as at the end of the reporting period, based on the payment due date, is as follows:

	2010	2009
	HK$'000	HK$'000
Current to 30 days	**368,009**	322,788
31 to 60 days	**55,237**	65,718
61 to 90 days	**34,529**	38,717
91 to 120 days	**19,855**	16,059
Over 120 days	**56,856**	31,901
	534,486	475,183

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

	2010	2009
	HK$'000	HK$'000
At 1 January	**15,216**	17,284
Impairment losses recognised	**3,710**	4,488
Amounts written off as uncollectible	**(2,920)**	(6,648)
Exchange realignment	**81**	92
At 31 December	**16,087**	15,216

The individually impaired trade receivables with an aggregate carrying amount before provision of HK$16,087,000 (2009: HK$15,216,000) 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.

8. Trade receivables (continued)

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

	2010 HK$'000	2009 HK$'000
Current to 30 days	**367,984**	322,542
31 to 60 days	**54,676**	65,581
61 to 90 days	**34,225**	38,558
91 to 120 days	**18,190**	13,704
Over 120 days	**43,324**	19,582
	518,399	459,967

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.

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.

9. Trade and bills payables

An aged analysis of trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	2010 HK$'000	2009 HK$'000
Current to 30 days	**114,416**	96,962
31 to 60 days	**17,399**	14,228
61 to 90 days	**710**	283
91 to 120 days	**446**	566
Over 120 days	**7,038**	7,171
	140,009	119,210

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

The significant improvement in the advertising market in Hong Kong in 2010, fuelled by a full recovery in the economy and fervent investment and property market activity, provided a positive operating environment for the Group's Media Operations throughout the year. According to admanGo, Hong Kong's total advertising spending accelerated by 19% year-on-year in 2010. In line with this, revenue of the Group's Media Operations grew from approximately HK$1,645.0 million in 2009 to approximately HK$1,951.3 million in 2010, a 19% increase. More notable was the increase in segment profit, which jumped by a substantial 177% from approximately HK$76.2 million in 2009 to approximately HK$210.9 million in 2010.

Newspapers

For the Hong Kong newspaper market as a whole, advertising revenue increased by 22% in 2010 on a year-on-year basis, led by free newspapers' adspend which went up by 34% whereas paid newspapers' adspend rose by 18%. Out of all media categories, free newspapers represented the fastest growing sector both in absolute and percentage terms.

Headline Daily, the number 1 free newspaper in Hong Kong, was the driving force behind this growth. Indeed, Headline Daily's increase in advertising revenue in 2010, at 36%, exceeded the market's growth rate while also contributing to a remarkable rise in the newspaper's profit. Given its ongoing efforts on enhancing its editorial content and circulation coverage, Headline Daily's readership saw consistent advances from quarter to quarter throughout the year. According to the latest survey by Synovate Media Atlas, Headline Daily's average readership reached 1,664,000 in 2010, almost one-third more than the next competitor. Average daily circulation in 2010 was close to 786,000 copies, an increase of 6% from 2009. As a mass medium commanding a large base of readers, Headline Daily provided one of the most effective means for advertisers to reach their audience. Its advertising revenue growth in 2010 straddled a well-diversified advertiser group, with the best performing advertising categories being banking, personal care products and retail. With a view to providing the market with a comprehensive cross-media product, Headline Daily launched an electronic Sunday edition in September 2010 available via internet and mobile platforms as well as smart phone and iPad downloadable applications. Since the beginning of 2011, this edition has been extended to public holidays. In addition, to further enrich its content offering and strengthen its market presence, Headline Daily is preparing to launch a dedicated finance website to be run by a team of financial media industry experts.

Although growth of the paid newspaper market was surpassed by free newspapers in 2010, our traditional newspaper Sing Tao Daily achieved excellent results in both revenue and profit. Advertising revenue went up by 28%, in part attributable to the active advertising market, including the property sector, and in part to the efforts over the past decade on establishing itself as a quality middle-class newspaper. The latter has allowed Sing Tao Daily to retain its readers' loyalty, especially among the high profile readers, which in turn helped to bring in high-quality advertisements, such as in the luxury products and education categories. This also helped to diversify the advertiser base for Sing Tao Daily and reduce its reliance on any particular category. In March 2010, Sing Tao Daily launched "Smart Parents", another move to further tap into the market. Focused on serving the needs of middle-class families, "Smart Parents" is a weekly magazine on parenting, and its free distribution on a membership basis is a novel format among publications of its kind. Since its launch, "Smart Parents" has become the most popular parenting magazine and currently boasts a circulation of around 75,000 copies per issue and membership of over 50,000.

The Group's English-language free newspaper, The Standard, continued to deliver encouraging performance. Average daily circulation climbed steadily during 2010, reaching 222,413 copies in the fourth quarter as audited by the Hong Kong Audit Bureau of Circulations, an 11% increase over the same period in 2009. According to the latest survey by Synovate Media Atlas, The Standard's average readership rose by 24% in 2010, the highest growth rate among all print media in Hong Kong. In line with the rise in popularity among readers, advertising volume grew by double-digit, with market share gains in existing advertising categories and new grounds broken into new advertising categories, while average page rates were also raised. The increase in volume and page rates contributed to a 27% surge in advertising revenue in 2010, which more than offset the additional costs from the circulation expansion.

Sing Tao Daily's overseas operations benefited from the general revival in the global economy in 2010. Although the pace of recovery was more modest in North America and Europe where economic uncertainties still abounded, our overseas business enjoyed respectable improvements in both revenue and profit. We remained committed to providing our readers with high-quality content and focusing on the local community and business networks to maintain our competitive advantages. Our entrenched industry position has allowed us to made inroads into mainstream advertising that seek to target local Chinese markets. We also continued to be vigilant in controlling costs especially through careful monitoring of newsprint consumption and circulation logistics. With the US economy showing signs of continuing recovery in 2011, our overseas business may be expected to sustain a steady growth momentum.

Magazines

During 2010, magazines' advertising spending in Hong Kong went up by 15%, and the Group's Magazine unit was able to outperform the market. East Week, the unit's flagship title, performed particularly well thanks to its now established quality magazine position and market recognition as an important advertising platform for high-end and branded products. This is the result of years of devoted efforts on upgrading the magazine's editorial content, image and readership profile. Coupled with improvements in operating efficiencies, East Week continued to contribute positively to the Group's profit in 2010 and may be expected to maintain a healthy course of growth.

East Touch, a market leader in the trend and style magazine sector, also achieved growth in advertising revenue that was better than the market's average. During 2010, East Touch augmented its content to attract more female readers and thereby brought in new advertisers. Creative advertising formats and special projects proved to be successful in generating additional revenue sources. At the same time, PC Market also sought to diversify its revenue base to include event management and advertising options across the print and non-print formats.

All of the unit's magazine titles have been industrious in building up their online and digital platforms. Apart from each title's own website, mobile applications have been or are being developed in order to access a new reader segment and thereby expand readership for each title. In 2010, East Touch and PC Market introduced their application for iPhone users, both of which topped the App Store download list soon after their launch. East Week also launched its iPhone application in March 2011, which too acquired a top ranking in the download list, and initiatives are being undertaken by JET and Spiral for their mobile and tablet versions. The Magazine unit will allocate resources to further develop its multi-media business platform in 2011.

Recruitment Media

Hong Kong's recruitment market recovered strongly in 2010, as the improved economic climate boosted employer confidence and gave rise to more job vacancies. The total number of jobs advertised in the print and online market went up by 30% from the previous year. As a result, the Group's Recruitment Media unit saw a double-digit increase in revenue, with the lion's share from online recruitment advertising. The integration of jobmarket.com into headlinejobs.hk, together with organic growth, has made the latter the number 2 jobs site in Hong Kong. At the same time, the product for continuing education advertising, EDUplus, maintained stable growth. In development of its business, the unit made use of a number of mobile and tablet applications as well as social media network to extend the brand awareness of its products and tap into new revenue opportunities.

Non-Media Operations

Trading

Turnover of the Group's Trading unit increased by 3%, from approximately HK$926.6 million in 2009 to approximately HK$954.5 million in 2010. Segment profit increased by 30%, from approximately HK$15.9 million in 2009 to approximately HK$20.6 million in 2010. The substantial jump in profit is caused by property revaluation and currency exchange gains, and if such gains are excluded segment profit would show a deterioration due to erosion in profit margin resulting from intense market competition. Since the last quarter of 2010, the volume of sales of the Trading unit has started to shrink as market share has been taken up by other players in the PRC camera distribution market, and this trend may be expected to continue. However, the impact is not expected to be significant given that the Trading unit does not represent a core business for the Group.

Prospects

Many good things happened in 2010 for the Group. The improved business conditions helped us to achieve a set of results that topped the Group's record. Our core Media products have established for themselves a firm business foundation and market position, and the strong momentum has carried forth into 2011 to date. If the global economic recovery continues, 2011 should be on course to be another encouraging year for the Group.

But we shall in no way be complacent. Uncertainties still exist in the global recovery path and inflationary pressures on newsprint prices and salary costs are mounting. We shall continue to manage our costs prudently. Above all, given the core strengths of our high-quality products, their recognition in the market and their escalating trend, we shall strive for expansion in top line which will more than compensate for the increase in costs in order to ensure the continued growth in our profitability.

As the Group's key growth engine, Headline Daily has entered a phase of high growth. Its circulation and readership are on the rise, and the Group has made further capital investment to enhance its printing capacity to cater for its business expansion. Headline Daily's share of the newspaper advertising market has been increasing consistently for the past five years, and the Group believes that there is still abundant room for further growth and development. As one of the most effective mass media in Hong Kong, Headline Daily's growth will not only come from the print media market but also from other media categories. The future for Headline Daily, and for the Group, is rich with opportunities.

Employees

As at 31 December 2010, the Group had approximately 2,400 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 HK5.0 cents per ordinary share for the Year payable on Friday, 13 May 2011 to shareholders whose names appear on the register of members of the Company on Friday, 15 April 2011. Together with the interim dividend of HK3.5 cents per ordinary share paid to shareholders on 16 September 2010, the total annual dividend will amount to HK8.5 cents per ordinary share for the financial year (2009: HK4.0 cents).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 14 April 2011 to Friday, 15 April 2011, 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 registrar 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 Wednesday, 13 April 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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 during the Year.

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 of Hong Kong Limited (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 2010 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 2010 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, 25 March 2011

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 directors: Mr. HO Ching Tak, Kent and Mr. LEUNG Chun Ying; and (3) independent non-executive directors: Ms. HO Chiu King, Pansy Catilina, Mr. KING Richard Yun Zing, Mr. LEE Cho Jat and Mr. TUNG Chee Chen.