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 2011

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 2011 (the "Year") together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2011

	Notes	**2011**	2010
		HK$'000	HK$'000
REVENUE	3	**2,390,903**	2,909,661
Cost of sales		**(1,644,501)**	(2,143,071)
Gross profit		**746,402**	766,590
Other income and gains		**13,717**	54,448
Gain on loss of control in a subsidiary		**-**	11,474
Distribution costs		**(281,517)**	(281,317)
Administrative expenses		**(319,044)**	(322,144)
Other expenses		**(14,120)**	(7,774)
Finance costs		**(537)**	(2,130)
Share of profits and losses of:			
Jointly-controlled entities		**25,814**	31,474
An associate		**(24,801)**	(951)
Impairment of amounts due from jointly-controlled entities		**(7,440)**	(3,945)
PROFIT BEFORE TAX	4	**138,474**	245,725
Income tax credit/(expense)	5	**153**	(8,484)
PROFIT FOR THE YEAR		**138,627**	237,241

* *For identification purpose only*

CONSOLIDATED INCOME STATEMENT (continued)

Year ended 31 December 2011

	Note	**2011**	2010
		HK$'000	HK$'000
Attributable to:			
Owners of the Company		**138,668**	240,443
Non-controlling interests		**(41)**	(3,202)
		138,627	237,241
Earnings per share attributable to ordinary equity holders of the Company – (HK cents)	7		
Basic		**15.94**	28.12
Diluted		**15.60**	27.31

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2011

	2011 **HK$'000**	2010 HK$'000
PROFIT FOR THE YEAR	**138,627**	237,241
OTHER COMPREHENSIVE INCOME		
Gains on property revaluation	**11,944**	17,044
Income tax effect	**(2,880)**	(5,509)
	9,064	11,535
Available-for-sale investments:		
Changes in fair value	**1,017**	1,853
Reclassification adjustment for losses included in the consolidated income statement		
- impairment losses	**-**	47
Income tax effect	**-**	-
	1,017	1,900
Exchange differences on translation of foreign operations	**(4,005)**	11,112
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**6,076**	24,547
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**144,703**	261,788
Attributable to:		
Owners of the Company	**144,744**	264,990
Non-controlling interests	**(41)**	(3,202)
	144,703	261,788

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2011

	Notes	**2011**	2010
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**760,839**	678,692
Investment properties		**38,304**	37,246
Goodwill		**857**	857
Other intangible assets		**11,712**	12,837
Investments in jointly-controlled entities		**138,202**	127,945
Investment in an associate		**42,267**	61,507
Available-for-sale investments		**44,559**	50,088
Deposit for an investment		**27,443**	27,443
Deferred tax assets		**13,027**	11,840
Other deposits paid		**21,847**	36,008
Total non-current assets		**1,099,057**	1,044,463
CURRENT ASSETS			
Inventories		**97,995**	107,256
Trade receivables	8	**561,531**	518,399
Prepayments, deposits and other receivables		**47,865**	53,545
Financial assets at fair value through profit or loss		**48,314**	58,654
Tax recoverable		**5,902**	601
Cash and cash equivalents		**540,008**	566,006
Total current assets		**1,301,615**	1,304,461
CURRENT LIABILITIES			
Trade and bills payables	9	**134,920**	140,009
Other payables and accruals		**250,057**	238,244
Tax payable		**62,471**	76,304
Finance lease and hire purchase contract payables		**1,121**	1,670
Total current liabilities		**448,569**	456,227
NET CURRENT ASSETS		**853,046**	848,234
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,952,103**	1,892,697

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2011

	2011	2010
	HK$'000	HK$'000
NON-CURRENT LIABILITIES		
Finance lease and hire purchase contract payables	**2,683**	5,563
Deferred tax liabilities	**40,885**	37,639
Total non-current liabilities	**43,568**	43,202
Net assets	**1,908,535**	1,849,495
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**173,806**	174,023
Reserves	**1,692,555**	1,631,610
Proposed final dividend	**41,864**	43,511
	1,908,225	1,849,144
Non-controlling interests	**310**	351
Total equity	**1,908,535**	1,849,495

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 2010.

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.

<u>Basis of consolidation</u>
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 2011. 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.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Total comprehensive income within a subsidiary is 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.

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 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised), and amendments to HKFRS 3, HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these HKFRSs are as follows:

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to HKFRSs 2010* issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

2. Changes in accounting policy and disclosures (continued)

- HKFRS 3 *Business Combinations:* The amendment clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

  In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- HKAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

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 2011				
Segment revenue:				
Sales to external customers	2,053,778	330,296	6,829	2,390,903
Intersegment sales	2,135	-	164,042	166,177
	2,055,913	330,296	170,871	2,557,080
Reconciliation:				
Elimination of intersegment sales				(166,177)
Revenue				2,390,903
Segment results	181,296	10,222	(52,507)	139,011
Reconciliation:				
Finance costs				(537)
Profit before tax				138,474
Segment assets	1,786,776	130,558	464,409	2,381,743
Reconciliation:				
Corporate and unallocated assets				18,929
Total assets				2,400,672
Segment liabilities	316,453	7,362	61,162	384,977
Reconciliation:				
Corporate and unallocated liabilities				107,160
Total liabilities				492,137
Other segment information:				
Share of profits and losses of:				
Jointly-controlled entities	27,033	-	(1,219)	25,814
An associate	-	-	(24,801)	(24,801)
Impairment losses recognised in the income statement	12,268	-	9,666	21,934
Depreciation and amortisation	68,122	406	12,967	81,495
Bank interest income	3,468	283	675	4,426
Investments in jointly-controlled entities	120,537	-	17,665	138,202
Investment in an associate	-	-	42,267	42,267
Capital expenditure*	170,559	75	6,216	176,850

* Capital expenditure consists of additions to property, plant and equipment, 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 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
Investment in an associate	-	-	61,507	61,507
Capital expenditure	90,873	495	60,899	152,267

4. Profit before tax

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

	2011	2010
	HK$'000	HK$'000
Investment income	**(631)**	-
Dividend income from listed equity investments	**(1,859)**	(988)
Dividend income from an unlisted available-for-sale investment	**(2,893)**	-
Fair value losses/(gains), net on:		
Financial assets at fair value through profit or loss	**17,684**	(22,042)
Derivative financial instruments – transactions not qualifying as hedges	**1,320**	6,129
Investment properties	**(1,643)**	(3,239)
Impairment losses on available-for-sale investments	**9,000**	7,047
Cost of inventories sold	**831,140**	1,412,591
Depreciation	**80,370**	75,541
Amortisation of intangible assets	**1,125**	1,126

5. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 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.

	2011	2010
	HK$'000	HK$'000
Current:		
Charge for the year:		
The People's Republic of China:		
Hong Kong	**6,278**	2,449
Elsewhere	**6**	517
Elsewhere	**7,493**	16,786
Overprovision in prior years	**(13,115)**	(6,828)
Deferred	**(815)**	(4,440)
Total tax expense/(credit) for the year	**(153)**	8,484

6. Dividends

	2011	2010
	HK$'000	HK$'000
Interim – HK4.5 cents (2010: HK3.5 cent) per ordinary share	**39,118**	30,115
Proposed final – HK5.0 cents (2010: HK5.0 cents) per ordinary share	**41,864**	43,511
	80,982	73,626

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

	2011	2010
	HK$'000	HK$'000
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**138,668**	240,443

	Number of shares	
	2011	2010
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**869,859,034**	855,041,230
Effect of dilution – weighted average number of ordinary shares: Share options	**19,140,081**	25,233,591
	888,999,115	880,274,821

8. Trade receivables

	2011	2010
	HK$'000	HK$'000
Trade receivables	**574,435**	534,486
Impairment	**(12,904)**	(16,087)
	561,531	518,399

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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. 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:

	2011	2010
	HK$'000	HK$'000
Current to 30 days	**392,366**	368,009
31 to 60 days	**75,336**	55,237
61 to 90 days	**37,196**	34,529
91 to 120 days	**25,626**	19,855
Over 120 days	**43,911**	56,856
	574,435	534,486

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

	2011	2010
	HK$'000	HK$'000
At 1 January	**16,087**	15,216
Impairment losses recognised	**4,828**	3,710
Amounts written off as uncollectible	**(8,017)**	(2,920)
Exchange realignment	**6**	81
At 31 December	**12,904**	16,087

The individually impaired trade receivables with an aggregate carrying amount before provision of HK$12,904,000 (2010: HK$16,087,000) relate to customers that were in financial difficulties or were in default of payments and the receivables are not expected to be recoverable.

8. Trade receivables (continued)

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

	2011	2010
	HK$'000	HK$'000
Current to 30 days	**392,366**	367,984
31 to 60 days	**75,048**	54,676
61 to 90 days	**36,376**	34,225
91 to 120 days	**23,948**	18,190
Over 120 days	**33,793**	43,324
	561,531	518,399

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.

Included in the Group's trade receivables is an amount due from an associate of HK$11,193,000 (2010: Nil), which is repayable on similar credit terms to those offered to the major customers of the Group.

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:

	2011	2010
	HK$'000	HK$'000
Current to 30 days	**105,597**	114,416
31 to 60 days	**18,304**	17,399
61 to 90 days	**1,580**	710
91 to 120 days	**2,904**	446
Over 120 days	**6,535**	7,038
	134,920	140,009

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

In 2011, the Group's Media operations continued on a healthy growth path, achieving an increase in revenue of 5.3% over 2010, from approximately HK$1,951.3 million to approximately HK$2,053.8 million. Overall advertising spending in Hong Kong remained buoyant throughout the year, although its rate of increase was evidently lower compared with 2010. Disruptions to supply chains caused by the Japan earthquake curbed advertising growth in the second quarter, and gyrations in the financial markets dampened sentiment somewhat in the latter part of the year. On the other hand, a more inflationary environment led to higher operating costs and hence lower profit margins. In particular, the average cost of newsprint to the Group in 2011 surged by 18% year-on-year, and average staff costs went up by 3%. As well, the Group made further investments in its free newspaper, Headline Daily, as a competition strategy which also affected short-term profitability. As a result, segment profit of the Media operations saw a reduction from approximately HK$210.9 million in 2010 to approximately HK$181.3 million in 2011.

Newspapers

The advertising market for newspapers in Hong Kong continued to expand in 2011, again with the increase in free newspapers' advertising spending significantly outpacing that of paid newspapers. It was probably in view of this high-growth market that new competitors entered the fray and brought about a so-called "free newspaper war" in 2011. Between July and September, two new free newspapers were launched, causing the daily circulation volume of free newspapers to double and that of all newspapers in Hong Kong to swell by more than 50%. The new competitors' tactics of flooding the market not only affected free newspapers but also caused a decline in circulation sales of paid newspapers, especially the mass-market products.

Headline Daily remained as the clear number 1 free newspaper in Hong Kong in the face of the intensified competition. Average daily circulation increased from around 786,000 copies in 2010 to over 800,000 copies in the first half of 2011, and grew further to over 900,000 copies in the fourth quarter. At the same time, Headline Daily's readership kept its uptrend while also continuing to top all newspapers in Hong Kong. According to the latest survey by Ipsos Media Atlas, Headline Daily's average readership increased to 1,682,000 in 2011, from 1,664,000 in 2010. The demographic profile of Headline Daily's readers also outshone other industry players. Amongst all Hong Kong's newspapers, Headline Daily was able to capture the largest number of readers with high education qualification, high income, and high consumption power, allowing it to continue to be one of the most attractive media to advertisers. With new competitors entering the market in the second half of the year, Headline Daily enhanced its content, circulation volume and distribution network to fortify its competitive edge, and was successful in further growing its advertising revenue. The trend in advertising growth has continued upwards and so far the "free newspaper war" has had no apparent impact on Headline Daily, apart from the additional cost pressure from the circulation increase.

Although the proliferation of free newspapers had dented readers' demand for mass-market paid newspapers, Sing Tao Daily was largely unaffected and continued to perform well as a middle-class newspaper. Its unique positioning and brand reputation established over the years distinguished Sing Tao Daily as a high quality newspaper tailored for the niche-market. Advertising revenue continued to grow and the newspaper's profitability attained another record high in 2011. Apart from the satisfactory performance of property advertisements, attributable to an active first hand market, Sing Tao Daily's advertising revenue also made good advancement in other high-yield categories such as branded products, watches and automobiles. The Sunday art-paper Features and Rich & Famous sections proved popular among readers and helped to raise Sing Tao Daily's importance in the high-end advertising market. As a paid newspaper, Sing Tao Daily will keep its editorial focus on specialised content, such as education, investment and lifestyle, as well as exclusive and in-depth news reporting so as to offer distinct value-add to its readers.

The Standard achieved consistent progress in its performance in 2011. As an English-language free newspaper targeting the higher end market, it was relatively unscathed by the competition in the Chinese-language newspaper market. Apart from a superior circulation volume, The Standard possessed the most impressive reader profile among English newspapers in Hong Kong. Its editorial excellence also prevailed over its competitors, as evidenced by the seven honours it won in the Hong Kong News Awards 2011. In terms of advertising, The Standard succeeded in opening up new categories such as overseas properties and luxury products, and custom-made projects for its clients were instrumental in augmenting revenue growth. With both its advertising volume and average page rates steadily increasing, The Standard's deficit was considerably reduced.

The global economic environment in 2011 did not work in favour of Sing Tao Daily's overseas operations. Recovery in the US economy was fragile and growth prospects remained dim. Europe was weighed down by the re-emergence of a series of sovereign debt crisis and no clear resolution was in sight. At the same time, competition among newspapers and from other media remained tough. Under this difficult operational environment, revenue of the Group's overseas business stayed resilient, especially in its key markets in the US east coast, Canada and Australia. However, the global inflation and high commodities prices put pressure on operating costs and inflicted a negative impact on profit margins. Given these market conditions, the overseas operations kept tight control on costs and worked at further improving efficiencies.

Magazines

The Group's Magazine unit had an outstanding year in 2011, benefiting from a robust advertising market and the growing recognition from both readers and advertisers of its products' high quality. The growth in revenue and profitability was among the best scored by the unit in recent years. In particular, East Week, the unit's flagship title, performed admirably and saw good growth in advertising revenue especially from the cosmetics and watches sector. Together with effective control over production and staff costs, East Week was able to achieve a record high profit in 2011, with the momentum continuing to be strong.

East Touch also delivered an impressive performance in 2011. A market leader in the trend and style magazine sector, East Touch offered innovative advertising formats and was well-accepted as an influential and effective promotion platform for many in-vogue products. For example, exclusive on-pack premium were presented in collaboration with its advertising clients, generating excellent response to the advertisers' marketing while also boosting East Touch's income and brand identity. Both the monthly titles, JET and Spiral, recorded exceptional growth in advertising revenue, proving their success in targeting the top end of the market. PC Market faced a declining trend in the IT magazine sector but maintained a steady performance.

The Magazine unit continued to strengthen its multi-media platform in 2011, and good progress was made in developing its online advertising revenue. In addition to continuously upgrading each title's own website, an integrated platform named www.my-magazine.me was launched in July, which provided a one-stop access to all the magazine websites under the unit. iPhone applications have been introduced for all the weekly titles, and iPad applications have also been made available for PC Market and JET. Upgrades on these mobile applications are underway, and an Android version will also be launched for East Week. The Magazine unit will stay abreast of the latest new media developments and is primed to expand its revenue sources from this business.

Non-Media Operations

Trading

The Group's Trading unit recorded revenue of approximately HK$330.3 million in 2011, as compared with approximately HK$954.5 million in 2010. The supplier of the camera trading business entered into direct distribution in the PRC in 2011, and the Group considered it opportune to rationalise the unit which is a non-core business of the Group, thus significantly cutting the unit's turnover. In addition, the production disruptions caused by the Japan earthquake in March and the Thailand flooding in August and September led to a shortage in supply and further reduced revenue. Correspondingly, segment profit also decreased from approximately HK$20.6 million in 2010 to approximately HK$10.2 million in 2011.

Prospects

2012 is presenting us with a number of uncertainties. The protracted Eurozone debt crisis and fiscal fragility in the US will continue to dominate global market concerns and undermine economic prospects. Cost inflation will remain a threat. The Hong Kong newspaper industry has been plunged into fierce competition which is yet to be played out. At this juncture, the outlook for 2012 is relatively challenging.

That said, we are confident about the Group's prospects. We look upon the challenge from the "free newspaper war" as an opportunity, as the increased competition has sped up the development of free newspapers into a mainstream media, alongside the expansion of their advertising market. We expect that free newspapers will increasingly gain advertising market share from mass-market paid newspapers, so that in due course they will represent the bulk of the overall newspaper market. And Headline Daily, the number 1 free newspaper, stands to gain the most from this development.

Our strategy is to build on Headline Daily's competitive strengths. In terms of circulation, we are geared up to increase print run with a new printing press line added in 2011 and further augmentation to the facilities will be undertaken in 2012 to guarantee the highest printing quality. In terms of content, improvements to the quality and richness of information will bring Headline Daily to be on a par with mass-market paid newspapers and will ensure that it continues to appeal to its large base of high calibre readers. Although these investments will affect gross profit margins in the near term, we are positive that Headline Daily will become an even stronger competitor and will emerge as the leader in the overall newspaper market in the long run.

Employees

As at 31 December 2011, 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. Together with the interim dividend of HK4.5 cents per ordinary share paid to shareholders on 22 September 2011, the total annual dividend will amount to HK9.5 cents per ordinary share for the financial year (2010: HK8.5 cents). The proposed final dividend, if approved at the forthcoming annual general meeting of the Company to be held on 23 May 2012 (the "AGM"), will be payable on 5 June 2012.

RECORD DATE FOR THE AGM

The record date for determining the shareholders of the Company entitled to receive notice of and to attend and vote at the AGM will be fixed on Monday, 21 May 2012. In order to be eligible to attend and vote at the AGM, 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 Monday, 21 May 2012.

CLOSURE OF REGISTER OF MEMBERS FOR PROPOSED FINAL DIVIDEND

The register of members of the Company will be closed on Friday, 25 May 2012 and Monday, 28 May 2012, on which dates no transfer of shares will be effected. In order to qualify for the final dividend, 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 Thursday, 24 May 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has repurchased a total of 2,784,000 shares at prices ranging from HK$1.10 to HK$2.25 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 2011.

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 2011 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 2011 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, 28 March 2012

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. HO Kent Ching Tak; 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.