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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in SING TAO NEWS CORPORATION LIMITED, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**SING TAO NEWS CORPORATION LIMITED****星島新聞集團有限公司\****(Incorporated in Bermuda with limited liability)***(Stock Code : 1105)**

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES,  
ADOPTION OF A NEW SHARE OPTION SCHEME AND  
TERMINATION OF THE EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Sing Tao News Corporation Limited to be held at the Conference Room, 3/F, Sing Tao News Corporation Building, 3 Tung Wong Road, Shau Kei Wan, Hong Kong on Wednesday, 23 May 2012 at 3:30 p.m. is set out on pages 21 to 24 of this circular. Whether or not you intend to be present at the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

20 April 2012

\* For identification purpose only

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held on Wednesday, 23 May 2012 at 3:30 p.m. or any adjournment thereof
“Associated Company”	a company, not being a Subsidiary, in which the Company directly or indirectly holds more than 20% of its issued share capital or the voting power at general meetings or in which an equity interest is held by the Company for long term purpose and a significant influence is exercised over its management
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Company”	Sing Tao News Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Existing Scheme”	the existing share option scheme adopted by the Company at its annual general meeting held on 28 May 2002
“Grantee”	any eligible participant thereof who accepts the offer of the grant of an Option in accordance with the terms of the New Scheme or (where the context so permits) a person or persons who, in accordance with the applicable laws of succession, is or are entitled to any such Option (to the extent not already exercised) in consequence of the death of any such eligible participants
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	13 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“New Scheme”	a new share option scheme to be adopted by the Company pursuant to the ordinary resolution No. 5D as set out in the notice of AGM in its present or any amended form
“Option”	an option to subscribe for Shares granted pursuant to the New Scheme and “Options” shall be construed accordingly
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares as set out in the notice of the AGM
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with new Shares as set out in the notice of the AGM
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong or the Companies Act 1981 of Bermuda (as amended), as modified from time to time) of the Company
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers

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## LETTER FROM THE BOARD

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### SING TAO NEWS CORPORATION LIMITED

星島新聞集團有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code : 1105)

*Executive Directors:*

Mr. Ho Tsu Kwok, Charles (*Chairman*)  
Mr. Lo Wing Hung (*Chief Executive Officer*)  
Ms. Judy Inn  
Mr. Jia Hongping  
Mr. Lai Ting Yiu  
Mr. Lau Chung Man, Louis  
Mrs. Sy Wong Chor Fong  
Mr. Yang Yiu Chong, Ronald Jeffrey

*Non-Executive Director:*

Mr. Ho Kent Ching Tak

*Independent Non-Executive Directors:*

Ms. Ho Chiu King, Pansy Catilina  
Mr. King Richard Yun Zing  
Mr. Lee Cho Jat  
Mr. Tung Chee Chen

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business:*

3/F, Sing Tao News Corporation  
Building,  
3 Tung Wong Road  
Shau Kei Wan  
Hong Kong

20 April 2012

*To the Shareholders,*

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES,  
ADOPTION OF A NEW SHARE OPTION SCHEME AND  
TERMINATION OF THE EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

This circular contains information relating to (i) the proposed re-election of the Directors retiring at the AGM; (ii) the Repurchase Mandate; (iii) the Share Issue Mandate; and (iv) the adoption of the New Scheme and the termination of the Existing Scheme required to be sent to you in compliance with the Listing Rules so as to give you all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions in relation thereto at the AGM.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

In accordance with bye-law 87 of the Company's bye-laws, Ms. Judy Inn, Mr. Jia Hongping, Mr. Lau Chung Man, Louis, Mr. Lee Cho Jat and Mrs. Sy Wong Chor Fong will retire by rotation, and being eligible, will offer themselves for re-election at the AGM.

Information on such retiring Directors as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

### GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 5 May 2011, a general mandate was given to the Directors to exercise the powers of the Company to repurchase the Shares. Under the Listing Rules, such general mandate will lapse at the conclusion of the AGM.

An ordinary resolution will therefore be proposed at the AGM granting the Directors authority to repurchase Shares up to 10% of the share capital of the Company in issue as at the date of the passing of the relevant resolution approving the Repurchase Mandate.

The Repurchase Mandate will, if granted, remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the bye-laws of the Company to be held; and (iii) its revocation or variation by an ordinary resolution of the Shareholders in general meeting.

An explanatory statement as required under the Listing Rules to provide the requisite information concerning the Repurchase Mandate is set out in Appendix II to this circular.

### GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate to allot, issue and deal with new Shares not exceeding 20%, which is equivalent to 167,456,103 Shares as at the Latest Practicable Date, of the issued share capital of the Company as at the date of the passing of the relevant resolution approving the Share Issue Mandate.

The Share Issue Mandate will, if granted, remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the bye-laws of the Company to be held; and (iii) its revocation or variation by an ordinary resolution of the Shareholders in general meeting.

In addition, if the Repurchase Mandate is granted, an ordinary resolution will also be proposed at the AGM providing that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Share Issue Mandate.

In respect of the Repurchase Mandate and the Share Issue Mandate, the Directors wish to state that they have no present intention to exercise the Repurchase Mandate to repurchase the Shares nor the Share Issue Mandate to allot new Shares.

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## LETTER FROM THE BOARD

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### **ADOPTION OF A NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME**

#### **Existing Share Option Scheme**

The Existing Scheme was adopted by the Company on 28 May 2002, and has a term of 10 years from the adoption date which is due to expire on 27 May 2012. The Board proposed to terminate the Existing Scheme prior to its expiry subject to the adoption of the New Scheme by the Shareholders at the AGM and upon satisfaction of all conditions precedent as set out below. Upon termination of the Existing Scheme, no further options will be granted thereunder. However, all the existing options previously granted but unexercised under the Existing Scheme will remain valid and exercisable in accordance with their terms of issue after the termination of the Existing Scheme.

As at the Latest Practicable Date, there were 151,700,500 options granted under the Existing Scheme and any other share option schemes adopted by the Company.

#### **New Share Option Scheme**

The terms of the New Scheme provide that in granting Options under the New Scheme, the Board may offer to grant an Option to any eligible participants subject to such terms and conditions including the minimum period for which an Option needs to be held and/or the performance target needs to be achieved before such Option can be exercised and/or any other terms (including the subscription price) as the Board may determine in its absolute discretion. By being granted Options, eligible participants have opportunity to participate in the Company's future stock performance. By setting the minimum period for which the Options to be held, the performance targets and the subscription price, the eligible participants will be motivated to optimise their performance, efficiency and contributions for the benefit of the Group. This serves the purpose of the New Scheme.

None of the Directors are trustees of the New Scheme and the Company does not at present intend to appoint a trustee to the New Scheme.

As at the Latest Practicable Date, there were 837,280,517 Shares in issue. Assuming no Shares will be issued or repurchased from the Latest Practicable Date to the date of the AGM on which the New Scheme is expected to be adopted by the Shareholders, and subject to the New Scheme becoming effective, the Company may grant Options under the New Scheme and any other share option schemes of the Company in respect of which up to 83,728,051 Shares, representing 10% of the Shares in issue as at the date of the passing of the relevant resolution approving the adoption of the New Scheme, may be issued.

Further, no options will be granted which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted but yet to be exercised under the New Scheme, the Existing Scheme and any other share option schemes adopted by the Company which provide for the grant of options to acquire or subscribe for Shares exceeding, in aggregate, 30% of the Shares in issue from time to time.

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## LETTER FROM THE BOARD

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### **Value of the Options**

The Directors consider that it is inappropriate to value all the options that can be granted pursuant to the New Scheme as at the Latest Practicable Date on the ground that certain crucial factors for such valuation are variables which cannot be reasonably determined at this stage. Such factors include without limitation the subscription price, the exercise period and the restrictions, conditions and limitations (if any) imposed by the Directors at its absolute discretion upon the granting of the Options. The Directors consider that any valuation of the Options based on speculative assumptions in respect of such variables would not be meaningful and the results thereof may be misleading to the Shareholders.

### **Conditions Precedent**

The adoption of the New Scheme is subject to the following conditions:

- (a) the approval of the Shareholders for the adoption of the New Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any Shares which may fall to be issued and allotted pursuant to the exercise of the Options in accordance with the terms and conditions of the New Scheme.

None of the Shareholders is required under the Listing Rules to abstain from voting at the AGM on the ordinary resolutions to approve the adoption of the New Scheme and the termination of the Existing Scheme.

An application has been made to the Stock Exchange for obtaining the approval referred to in (b) above.

### **Documents for Inspection**

A copy of the terms of the New Scheme will be available for inspection at the principal place of business of the Company at 3/F, Sing Tao News Corporation Building, 3 Tung Wong Road, Shau Kei Wan, Hong Kong during normal business hours on any weekdays (except public holidays) from the date of this circular up to and including the date of the AGM or any adjournment thereof, as the case may be.

A Summary of the Principal Terms of the New Share Option Scheme is set out in Appendix III to this circular.



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## LETTER FROM THE BOARD

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### **ACTION TO BE TAKEN**

A notice convening the AGM to be held at the Conference Room, 3/F, Sing Tao News Corporation Building, 3 Tung Wong Road, Shau Kei Wan, Hong Kong on Wednesday, 23 May 2012 at 3:30 p.m. is set out on pages 21 to 24 of this circular.

A form of proxy for use at the AGM is enclosed. Whether or not you intend to be present at the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

### **RECOMMENDATION**

The Directors consider that the proposed re-election of the Directors retiring at the AGM, the Repurchase Mandate, the Share Issue Mandate, the adoption of the New Scheme and the termination of the Existing Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,  
**Ho Tsu Kwok, Charles**  
*Chairman*

The following is the information, as required to be disclosed by the Listing Rules on the retiring Directors proposed to be re-elected at the AGM.

- (1) **Ms. Judy Inn** (48) has been an Executive Director of the Company since 2006 and a director of a subsidiary of the Company. She is responsible for the Group's multi-media business. From 2000 to 2002, she was an Executive Director of the Company and the Chief Operating Officer of the Group. In 2004, she was a special advisor to the Chairman of the Company. Between 1992 and 2000, she worked for PCCW Limited ("PCCW"). She was the senior vice president of the PCCW's Interactive Multimedia Services, leading the development of the Netvigator Portal and Interactive TV services. Between 1992 and 1995, Ms. Inn was the group manager of the corporate affairs in PCCW. Ms. Inn holds a Bachelor of Arts degree from The University of Hong Kong and a Master of Arts degree from the University of London.

Ms. Inn does not have any directorship held in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas. She does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Inn beneficially owns 1,300,000 Shares, representing approximately 0.15% of the issued share capital of the Company. Ms. Inn was granted share options for a total of 1,000,000 Shares at a subscription price of HK\$0.92 per Share. Save as disclosed above, Ms. Inn does not have any interests in the Shares within the meaning of Part XV of the SFO.

- (2) **Mr. Jia Hongping** (48) has been an Executive Director of the Company since 2000. He is the Chief Representative of the Beijing office of the Group and also a director of various subsidiaries of the Company. Mr. Jia brings with him a wealth of experience in management, investment and government relations to the Group. Prior to joining the Group, he worked in various capacities in the government departments under the China State Council. In 1998, Mr. Jia joined the Lear Corporation China Limited as executive director and chief representative of its Beijing office. He holds a Bachelor's degree from the Beijing Institute of Technology University.

Mr. Jia does not have any directorship held in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas. He does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Jia beneficially owns 2,000,000 Shares, representing approximately 0.23% of the issued share capital of the Company. Save as disclosed above, Mr. Jia does not have any interests in the Shares within the meaning of Part XV of the SFO.

- (3) **Mr. Lau Chung Man, Louis** (53) has been an Executive Director of the Company since 2005. He is the Chief Financial Officer of the Company and also a director of various subsidiaries of the Company. He is primarily responsible for overseeing the finance and overall operations of the Group. He is a Chartered Accountant and holds a Bachelor's degree in Commerce and Administration from Victoria University of Wellington in New Zealand. He is a member of the New Zealand Society of Accountants, a certified public accountant of the Hong Kong Institute of Certified Public Accountants and has extensive experience in corporate management, accounting and finance. He is an independent non-executive director of AviChina Industry & Technology Company Limited.

Save as disclosed above, Mr. Lau does not have any directorship held in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas. He does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lau beneficially owns 2,000,000 Shares, representing approximately 0.23% of the issued share capital of the Company. Mr. Lau was granted share options for a total of 1,000,000 Shares at a subscription price of HK\$0.776 per Share. Save as disclosed above, Mr. Lau does not have any interests in the Shares within the meaning of Part XV of the SFO.

- (4) **Mr. Lee Cho Jat** (79) has been an Independent Non-Executive Director of the Company since 2005. In 1998, Mr. Lee was awarded the "Silver Bauhinia Star" by The Government of the HKSAR. He is now the president of The Newspaper Society of Hong Kong, the president of The Chinese Language Press Institute, permanent honorary chairman of the Hong Kong Publishing Federation and honorary chairman of Sino United Publishing (Holdings) Limited, The Commercial Press (H.K.) Ltd. and Hong Kong Commercial Newspapers Co., Ltd. Mr. Lee started his career in newspaper publishing industry after graduated from secondary school in 1952 and has over 50 years of experience in the media industry devoting to promote Chinese culture. Mr. Lee was awarded Outstanding Achievement Award of Hong Kong Print Awards in 1997. Mr. Lee successfully changed traditional state-owned companies such as The Commercial Press (H.K.) Ltd., Joint Publishing (Hong Kong) Company Limited, Chung Hwa Book Co., (H.K.) Ltd. and C&C Joint Printing Co., (H.K.) Ltd., into fast-developing modernized international enterprises, which, under his leadership, become paragons of the industry. Mr. Lee was appointed a committee member of The Preliminary Working Committee for The Preparatory Committee for the HKSAR of The Standing Committee of The National People's Congress in 1994 and was further appointed as a member of The Preparatory Committee for the HKSAR of The National People's Congress, participated in the preparation of the establishment of The Government of the HKSAR. He was appointed as a member of the Antiquities Advisory Board of the HKSAR in 1999. Mr. Lee was appointed a member of 8th, 9th and 10th National Committee of the Chinese People's Political Consultative Conference. In 2009, Mr. Lee has been elected the "Hundred of the Greats of Publishing in the 60 years of New China" which is the greatest honor in the publishing industry in China. Mr. Lee was granted an Honorary Doctorate of Arts from Chu Hai College in July 2011.

Mr. Lee does not have any directorship held in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Lee does not hold any position with any subsidiaries of the Company save as being a Director. He does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Lee has a letter of appointment with the Company, which is for a term of two years commencing from 1 January 2011 with renewal option for a further term of two years thereafter, and is subject to retirement and re-election by rotation in accordance with the Company's bye-laws. He has also been appointed as a member of the Audit Committee of the Company. He is entitled to receive an annual remuneration of HK\$150,000 for such appointments. The director's remuneration payable to Mr. Lee was determined with reference to Mr. Lee's duties and responsibilities with the Company and the industry and market conditions.

- (5) **Mrs. Sy Wong Chor Fong** (71) has been an Executive Director of the Company since 1996 and is a director of various subsidiaries of the Company. She has been engaged in the import and export trading business for many years. She has over 30 years of experience in the distribution of consumer products in China, including distribution of photographic products.

Mrs. Sy does not have any directorship held in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas. She does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mrs. Sy beneficially owns 83,161,500 Shares, representing approximately 9.93% of the issued share capital of the Company. Save as disclosed above, Mrs. Sy does not have any interests in the Shares within the meaning of Part XV of the SFO.

Each of Ms. Judy Inn, Mr. Jia Hongping, Mr. Lau Chung Man, Louis and Mrs. Sy Wong Chor Fong has entered into a service contract with the Group which is continuous unless terminated by not less than three months' notice in writing served by either party. The total amount of the directors' emoluments for the financial year ended 31 December 2011 received by each of Ms. Inn, Mr. Jia, Mr. Lau and Mrs. Sy who stand for re-election at the AGM are set out in note 9 to the financial statements on page 100 of the Company's annual report 2011. The directors' emoluments are determined having regard to their duties in the Group and the industry and market conditions.

Save as disclosed above, none of Ms. Judy Inn, Mr. Jia Hongping, Mr. Lau Chung Man, Louis, Mr. Lee Cho Jat and Mrs. Sy Wong Chor Fong has information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and has matters that need to be brought to the attention of the Shareholders as at the Latest Practicable Date.

This explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules. Its purpose is to provide Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 837,280,517 Shares.

On the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, and subject to the passing of the relevant ordinary resolution approving the Repurchase Mandate, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 83,728,051 Shares. The Shares proposed to be repurchased must be fully-paid up.

### **2. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interest of the Company and the Shareholders. Repurchases of Shares made under the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Company's net assets and/or its earnings per Share and will only be made when the Directors consider that such repurchases will benefit the Company and the Shareholders.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. The Bermuda Companies Act 1981 (as amended) provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company.

There might be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements for the year ended 31 December 2011) in the event that the Repurchase Mandate was to be exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2011</b>		
April	2.60	2.30
May	2.39	2.13
June	2.60	2.15
July	2.44	2.20
August	2.29	1.50
September	1.57	0.96
October	1.31	0.90
November	1.26	1.03
December	1.20	1.01
<b>2012</b>		
January	1.15	1.02
February	1.41	1.07
March	1.34	1.08
1 April – Latest Practicable Date	1.16	1.12

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules and the applicable laws of Bermuda.

#### 6. TAKEOVERS CODE

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Ho Tsu Kwok, Charles, Chairman of the Company, beneficially owns 426,197,500 Shares, representing approximately 50.9% of the issued share capital of the Company. The Directors are not aware of any obligation to make a mandatory offer under the Takeovers Code.

**7. GENERAL**

None of the Directors, to the best of their knowledge, having made all reasonable enquiries, nor any of their respective associates has any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

No connected persons have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**8. SHARE PURCHASES MADE BY THE COMPANY**

The Company has repurchased a total of 32,000,000 Shares at the purchase price of HK\$1.1 per Share on the Stock Exchange on 3 February 2012. Save as disclosed above, the Company did not purchase any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

**RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects, and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The following is a summary of the principal terms of the New Scheme:

**1. Purpose**

The New Scheme seeks to recognise and acknowledge the contributions or potential contributions made or to be made by the Qualified Persons to the Group, to motivate the Qualified Persons to optimise their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the Qualified Persons whose contributions are or may be beneficial to the growth of the Group.

**2. Participants**

The Board may at its absolute discretion grant Options to (i) any part-time or full-time employee or officer of any member of the Group or of any Associated Company (collectively “**Employee**”); (ii) any director (executive or non-executive) of any member of the Group or of any Associated Company; and (iii) any supplier, agent, customer, business associate, distributor, professional or other adviser of, or consultant or contractor to, any member of the Group (collectively “**Qualified Persons**” and “**Qualified Person**” means each and any one of them).

**3. Grant of Options**

An offer of the grant of an Option shall be made to a Qualified Person by letter (“**Offer Letter**”) in such form as the Board may from time to time determine specifying the terms and subject to the conditions on which the Option is to be granted. Subject to the terms of the Offer Letter, there shall be no general performance target for the vesting or exercise of Options. The minimum period to hold the options before it can be exercised is to be determined by the Board.

An Option shall be deemed to have been granted and accepted and to have taken effect when the duplicate Offer Letter comprising acceptance of the Option duly signed by the Qualified Person shall have been received by the Company on or before the last day for acceptance as set out in the Offer Letter.



**4. Maximum number of Shares available for subscription**

The total number of Shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the New Scheme (excluding options lapsed in accordance with the terms of the schemes) (“**Mandate Limit**”).

The Company may seek approval by Shareholders in general meeting for refreshing the Mandate Limit provided that the total number of Shares in respect of which Options may be granted under the New Scheme and any other share option schemes of the Company under the Mandate Limit as being refreshed must not exceed 10% of the total number of Shares in issue as at the date of approval by Shareholders. Options previously granted under the schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted.

The Company may seek separate approval by Shareholders in general meeting for granting options beyond the Mandate Limit provided the options in excess of the Mandate Limit are granted only to participants specifically identified before such approval is sought.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time.

**5. Maximum entitlement of each Qualified Person**

Unless separately approved by Shareholders in general meeting in the manner as prescribed in the Listing Rules, the total number of Shares issued and to be issued upon exercise of Option granted to each Qualified Person (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares then in issue.

**6. Period within which the Shares must be taken up**

The period during which an Option may be exercised in accordance with the terms of the New Scheme (“**Option Period**”) shall be the period set out in the relevant Offer Letter provided that such period must expire no later than the tenth anniversary of the date of grant of the Option.

**7. Basis of determination of the exercise price**

The subscription price (“**Subscription Price**”) in relation to each Option offered to a Qualified Person shall be a price notified by the Board in the Offer Letter. Such price must be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant; or (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five (5) business days immediately preceding the date of grant.

**8. Rights attaching to Shares allotted**

The Shares to be allotted upon exercise of an Option will be subject to all the provisions of the memorandum of association and bye-laws of the Company for the time being in force and will rank pari passu with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment.

**9. Rights personal to Grantee**

An option shall not be sold, transferred, charged, mortgaged, encumbered or created with any interest (legal or beneficial) in favour of any third party or assigned and shall be personal to the Grantee (save that the Grantee may nominate a nominee to hold the Shares to be issued pursuant to the exercise of Options granted under the New Scheme on trust for the sole benefit of such Grantee provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company).

**10. Rights on death**

If the Grantee (being an individual) ceases to be a Qualified Person by reason of death and, in case such Grantee is an Employee, none of the events which would be a ground for termination of his employment as specified in paragraph 16(v) below has arisen, the legal personal representative(s) of the Grantee shall be entitled within a period of 6 months from the date of death (or such other period as the Board may determine) to exercise the Option in full (to the extent not already exercised).

**11. Rights on ceasing employment**

If the Grantee being an Employee ceases to be a Qualified Person by reason of retirement in accordance with the terms of his contract of employment or by virtue of any statutory requirement and none of the events which would be a ground for termination of his employment as specified in paragraph 16(v) below has arisen, the Grantee shall be entitled within a period of 6 months from the date of retirement (or such other period as the Board may determine) to exercise the Option up to his entitlement (to the extent not already exercised).

**12. Rights on general offer**

If, in consequences of any general offer made to the Shareholders (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, any person shall have obtained control of the Company, then the Directors shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee shall be entitled at any time within the period of 6 months after such control has been obtained to exercise any Option (to the extent exercisable but not already exercised) in whole or in part, and to the extent that it has not been so exercised, any Option shall upon the expiry of such period cease and determine: Provided that if, during such period, such person becomes entitled to exercise rights of compulsory acquisition of shares pursuant to Section 103 of The Companies Act 1981 of Bermuda (as may be amended from time to time) and gives notice in writing to any Shareholder that he intends to exercise such rights, Options (to the extent exercisable but not already exercised) shall be and remain exercisable until one month from the date of such notice and, to the extent that they have not been exercised, shall thereupon cease and determine.

**13. Rights on voluntary winding up**

In the event a notice is given by the Company to the Shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to wind up the Company voluntarily, the Company shall on the same date as or promptly after it dispatches such notice to each Shareholder give notice thereof to the Grantee, and thereupon the Grantee (or his personal representative(s)) shall be entitled to exercise all or any of the Option at any time no later than 4 business days prior to the proposed shareholders' meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as practicable as the circumstances allow, but in any event no later than the business day immediately before the proposed shareholders' meeting, allot the relevant Shares to the Grantee credited as fully paid.

**14. Rights on a compromise or arrangement**

In the event of a compromise or arrangement between the Company and the Shareholders or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to the Grantee (or his personal representative(s)) on the same day as it gives notice of the meeting to the Shareholders or creditors to consider such compromise or arrangement and the Grantee (or his personal representative(s)) may, during the period commencing on the date of the aforesaid notice and ending on the earlier of (i) the date two calendar months after the date of the aforesaid notice or (ii) the date on which such compromise or arrangement is sanctioned by court, exercise any of the Option whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Scheme. The Company may require the Grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

**15. Effect of reorganisation of capital structure**

In the event of capitalization issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board shall make (and shall notify to the Grantee) such corresponding alterations (if any) in (i) the number or amount of Shares subject to any Option so far as such Option remains unexercised; and/or (ii) the Subscription Price; and/or (iii) the method of exercise of the Option, as an independent financial adviser or the auditors shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any alteration shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he was entitled before such alteration, but so that no such alteration shall be made the effect of which would be to enable any Share to be issued at less than its nominal value.

**16. Lapse of Options**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in paragraphs 10, 11 or 12;
- (iii) the date of the commencement of the winding-up of the Company in respect of the situation contemplated in paragraph 13;
- (iv) subject to the scheme of arrangement or compromise becoming effective, the expiry of the period referred to in paragraph 14;
- (v) the date on which the Grantee being an Employee ceases to be a Qualified Person by reason of the termination of his employment on any one or more of the grounds that he has been guilty of misconduct, or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary or the relevant Associated Company (as the case may be);
- (vi) the date on which the Grantee being an Employee ceases to be a Qualified Person by reasons other than his death or retirement in accordance with the terms of his contract of employment or by virtue of any statutory requirement. For the avoidance of doubt, the relevant date of cessation for the purpose of this paragraph shall be the Grantee's last actual working day with the Company or the relevant Subsidiary or the relevant Associated Company (as the case may be) whether salary is paid in lieu of notice or not;
- (vii) the date on which the Grantee commits a breach of paragraph 9;

- (viii) if an Option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations;
- (ix) in respect of the Grantee being a consultant or adviser (whether individual or corporation), the date on which the Board resolves that the consultant or adviser fails to comply with any provisions of the relevant contract, or breaches its fiduciary duty under the common law; or
- (x) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Letter, if any.

#### **17. Options to Related Persons**

- (i) Any grant of Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates (“**Related Person**”) must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the Grantee of such Options).
- (ii) Any grant of Options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates shall comply with paragraph 17(iii) if such proposed grant of Options, when aggregated with all Options (whether exercised, cancelled or outstanding) already granted to that Related Person during the 12-month period up to and including the date of such grant of Options, would entitle him to receive more than 0.1% of the total issued Shares for the time being and the value of which by reference to the closing price of the Shares on the Stock Exchange at the date of each grant is in excess of HK\$5,000,000.
- (iii) Any grant of Options referred to in paragraph 17(ii) must, in addition to obtaining the approval of the independent non-executive directors pursuant to paragraph 17(i), be approved by Shareholders in general meeting where all connected persons of the Company must abstain from voting in favour at such general meeting irrespective of whether they are Grantees of the Options concerned or not. The Company must comply with the voting requirements under the Listing Rules.

#### **18. Life of the New Scheme**

The New Scheme shall be valid and effective for a period of ten years commencing from the date on which the New Scheme is deemed to take effect in accordance with its terms, after which period no further Options will be granted but the provisions of the New Scheme shall remain in full force and effect in all other respects.

**19. Alteration of the New Scheme**

The New Scheme may be altered by the Board except the provisions of the New Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of the Grantees except with the prior sanction of a resolution of the Company in general meeting. Any material alteration to its terms and conditions or any change to the terms of Options granted (except where such alterations take effect automatically under the existing terms of the New Scheme) shall be approved by the Shareholders in general meeting.

**20. Cancellation of Options**

Subject to the consent from the relevant Grantee, the Board may at its discretion cancel Options previously granted to, and yet to be exercised by, such Grantee for the purpose of re-issuing new Options to such Grantee provided that there are sufficient available unissued Options (excluding such cancelled Options) for such re-issuance under the Mandate Limit.

**21. Termination**

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Scheme and in such event no further Options will be offered but the provisions of the New Scheme shall remain in force in all other respects.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SING TAO NEWS CORPORATION LIMITED

星島新聞集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 1105)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Sing Tao News Corporation Limited (the “Company”) will be held at the Conference Room, 3/F, Sing Tao News Corporation Building, 3 Tung Wong Road, Shau Kei Wan, Hong Kong on Wednesday, 23 May 2012 at 3:30 p.m. for the following purposes:

1. To receive, consider and approve the audited financial statements and the reports of the directors and auditors for the year ended 31 December 2011.
2. To declare a final dividend for the year ended 31 December 2011.
3. To re-elect directors and to authorise the board of directors to fix the directors’ fee.
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
5. To consider as special business and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions of the Company:

A. **“THAT:**

- (a) subject to paragraph A(b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option, warrants or otherwise) by the directors of the Company pursuant to the approval in paragraph A(a) above, otherwise than pursuant to (i) a rights issue; or (ii) any scrip dividends or similar arrangement in accordance with the bye-laws of the Company as amended from time to time; or (iii) any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to the employees of the Company or its subsidiaries of shares or rights to subscribe shares of the Company or the exercise of any of the subscription rights attaching to any options that have been or may be granted thereunder; or (iv) any rights of subscription or conversion under any existing convertible bonds, debentures or notes of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution; and

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) for the purposes of these resolutions:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

B. **“THAT:**

- (a) subject to paragraph B(b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) as amended from time to time, be and is hereby generally and unconditionally approved; and
- (b) the aggregate nominal amount of shares of the Company to be purchased, or agreed conditionally or unconditionally to be purchased, by the Company pursuant to the approval in paragraph B(a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.”

C. **“THAT** subject to the passing of resolutions No. 5A and No. 5B set out above, the aggregate nominal amount of shares in the capital of the Company which are repurchased by the Company under the authority granted pursuant to the abovementioned resolution No. 5B shall be added to the aggregate nominal amount of shares in the capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the authority granted pursuant to the abovementioned resolution No. 5A.”



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## NOTICE OF ANNUAL GENERAL MEETING

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- D. “**THAT** subject to and conditional upon the Stock Exchange granting approval for the listing of and permission to deal in the shares which may fall to be allotted and issued by the Company pursuant to the exercise of options granted under the New Share Option Scheme (as defined in the circular despatched to the shareholders of the Company dated 20 April 2012), the New Share Option Scheme be and is hereby approved and adopted and that the directors of the Company be and are hereby authorised to do all such acts and to take all such steps and actions and to execute all such documents on behalf of the Company as may be necessary or expedient in order to give effect to the New Share Option Scheme, including without limitation, to issue and allot shares in the capital of the Company on terms therein mentioned; and **THAT** subject to and conditional upon the approval of the adoption of the New Share Option Scheme, the Existing Share Option Scheme (as defined in the circular despatched to the shareholders of the Company dated 20 April 2012) be terminated with effect from the date on which such resolution shall become unconditional, such that thereafter no further options shall be offered or granted under the Existing Share Option Scheme, but the options which have already been granted and remain outstanding shall remain valid and exercisable in accordance with their terms of issue.”

By Order of the Board  
**Sing Tao News Corporation Limited**  
**Cheng Lai Chu**  
*Company Secretary*

Hong Kong, 20 April 2012

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one (or if he/she holds two or more shares, more than one) proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. In case of joint holders, if more than one of the joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of the relevant shares will alone be entitled to vote in respect of them.
3. In case of a corporation, the form of proxy must be under its common seal or under the hand of an officer or attorney duly authorised on its behalf.
4. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of attorney or authority, must be deposited 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 less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. The record date for determining the shareholders of the Company entitled to receive notice of and to attend and vote at the meeting will be fixed on Monday, 21 May 2012. In order to be eligible to attend and vote at the meeting, 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.
6. All resolutions set out in this notice will be decided by poll at the meeting in accordance with the requirements of the Listing Rules.

*As at the date of this notice, the board of directors comprise: (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.*