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## **SING TAO NEWS CORPORATION LIMITED**

**星島新聞集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1105)**

### **DISCLOSEABLE TRANSACTION**

The Board is pleased to announce that on 21 May 2013, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Seller, pursuant to which the Purchaser agreed to acquire 51% interest in the Target Company for a cash consideration of RMB10,000 (equivalent to approximately HK\$12,400). The Purchaser currently holds 49% interest in the Target Company. The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **THE ACQUISITION**

On 21 May 2013, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Seller, pursuant to which the Purchaser agreed to acquire 51% interest in the Target Company for a cash consideration of RMB10,000 (equivalent to approximately HK\$12,400). The Purchaser currently holds 49% interest in the Target Company. Prior to the Acquisition, the Target Company has been treated as a jointly-controlled entity in the books of the Company. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and its results will be consolidated into the accounts of the Group.

#### **CONSIDERATION**

The consideration, being RMB10,000 (equivalent to approximately HK\$12,400) was determined after arm's length negotiations between the parties by reference to the audited net liabilities value of the Target Company as at 31 December 2012 amounting to RMB2,060,000 (equivalent to approximately HK\$2,554,000), and shall be payable in cash by the Purchaser to the Seller in the following manner: (1) non-refundable 30% is payable before the execution of the Agreement; and (2) the remaining 70% is payable within five working days in PRC after the execution of the Agreement. The consideration will be funded by internal resources within the Group.

## COMPLETION

Completion of the Acquisition shall take place at the time of the issue of new business licence to the Target Company by the PRC authority but in any event not later than 31 December 2013.

## REASONS FOR THE ACQUISITION

The Seller has been an inactive shareholder of the Target Company and wishes to exit from the Target Company, while the Directors consider that upon completion of the Acquisition, the Target Company becoming wholly-owned by the Group will give the Group more control and flexibility in its future operations.

The Directors consider that the terms of the Agreement including the consideration are arrived at after arm's length negotiations based on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## GENERAL

The principal business activities of the Group comprise media and media-related operations including newspapers, magazines and other media-related businesses.

The principal business activity of the Seller is investment in print-media distribution in PRC.

The principal business activity of the Target Company is the distribution of print-media publications, including newspapers, magazines and books, and the provision of other media related services in PRC.

Save as disclosed above and to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries by the Directors, the Seller and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

There is no previous transaction between the Company and the Seller which required aggregation of transactions under Rule 14.22 of the Listing Rules.

A summary of the audited financial information of the Target Company for the two financial years ended 31 December 2011 and 31 December 2012 is set out below:

	2012	Equivalent to	2011	Equivalent to
	RMB'000	approximately	RMB'000	approximately
		HK\$'000		HK\$'000
Net assets / (liabilities)	(2,060)	(2,554)	14,875	18,445
Net loss				
(before taxation and				
extraordinary items)	(7,966)	(9,878)	(641)	(795)
Net loss				
(after taxation and				
extraordinary items)	(6,624)	(8,214)	(812)	(1,007)

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“Acquisition”	the acquisition of 51% interest in the Target Company by the Purchaser as contemplated under the Agreement
“Agreement”	the agreement dated 21 May 2013 entered into between the Purchaser and the Seller in relation to the Acquisition
“Board”	the board of Directors
“Company”	Sing Tao News Corporation Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Purchaser”	Global China Media Services Limited (泛華媒體服務有限公司), a company incorporated in the British Virgin Islands with limited liability, being a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of PRC. For information only, RMB has been converted to HK\$ as to RMB1.00 to HK\$1.24. No representation is made that such amounts were or could be exchanged at such rates
“Seller”	Da Di Distribution Centre* (大地發行中心), a state-owned enterprise established under the laws of PRC and wholly-owned by People’s Daily Press* (人民日報社)

“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.2 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	大華圖書報刊銷售（北京）有限責任公司, a Sino-foreign equity joint venture incorporated in PRC with limited liability

By Order of the Board  
**Sing Tao News Corporation Limited**  
**LO Wing Hung**  
*Chief Executive Officer*

Hong Kong, 21 May 2013

*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 and Mr. LEE Cho Jat.*

*\* For identification purpose only*