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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)

CONNECTED TRANSACTION IN RELATION TO FURTHER SUBSCRIPTION OF SHARES IN BASTILLE POST COMPANY LIMITED

The Board announces that on 23 October 2015, the Company, through its indirect wholly-owned subsidiary, STHL, entered into the Agreement with BPHL and BPCL, pursuant to which STHL and BPHL agreed, on a 30:70 basis, to further subscribe for, and BPCL agreed to allot and issue 2,400,000 and 5,600,000 ordinary shares in BPCL for cash consideration of HK\$2,400,000 and HK\$5,600,000 respectively.

On 1 May 2015, STHL subscribed for and BPCL allotted and issued to STHL 2,100,000 ordinary shares in BPCL for cash consideration of HK\$2,100,000.

As at the date of this announcement, BPCL is owned by BPHL and STHL as to 70% and 30% respectively. BPHL is wholly-owned by Mr. LO, an Executive Director of the Company. Therefore, BPCL and BPHL are associates of Mr. LO and are connected persons of the Company. Accordingly, the Subscription pursuant to the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the Subscription, when aggregated with the Previous Subscription and treated as if they were one transaction pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, exceed 0.1% but are less than 5%, the transactions are therefore subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

** For identification purpose only*

THE AGREEMENT

Date

23 October 2015

Parties

- (1) STHL
- (2) BPHL
- (3) BPCL

Subscription

Pursuant to the Agreement, STHL and BPHL agreed, on a 30:70 basis, to further subscribe for, and BPCL agreed to issue and allot 2,400,000 and 5,600,000 ordinary shares in BPCL for the consideration of HK\$2,400,000 and HK\$5,600,000 respectively, payable in cash upon signing of the Agreement.

Consideration

The consideration, being HK\$2,400,000 was determined after arm's length negotiations among the parties by reference to the working capital needs of BPCL and shall be payable in cash by STHL to BPCL and funded by internal resources within the Group.

INFORMATION ON THE PARTIES

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

STHL is a company which is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

BPHL is a company which is wholly-owned by Mr. LO and is principally engaged in investment holding.

BPCL is being owned by Mr. LO and the Group as to 70% and 30% respectively, and is principally engaged in internet and mobile media business. Before the Subscription, STHL has subscribed for and BPCL has allotted and issued to STHL a total of 6,390,000 ordinary shares in BPCL for cash consideration of HK\$6,390,000, representing 30% of the entire issued share capital of BPCL. Of these shares, 4,290,000 ordinary shares were subscribed at the consideration of HK\$4,290,000, fully paid in cash on 1 November 2013; the remaining 2,100,000 ordinary shares were subscribed at the consideration of HK\$2,100,000, fully paid in cash on 1 May 2015. After the Subscription, STHL shall have subscribed for and BPCL shall have allotted and issued to STHL a total of 8,790,000 ordinary shares in BPCL for cash consideration of HK\$8,790,000, still representing 30% of the entire issued share capital of BPCL.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

While the trend in the industry towards new media is becoming increasingly significant, hence the Group has appropriately started to place more focus and resources to develop its new media business. In view of the business development potential of BPCL, the further subscription of shares in BPCL by the Group aligns with the Group’s business strategies to further develop its internet related media business.

The Directors (including the independent non-executive Directors of the Company) consider that the terms of the Subscription are arrived at after arm’s length negotiations based on normal commercial terms and are fair and reasonable, and the Subscription is in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, BPCL is owned by BPHL and STHL as to 70% and 30% respectively. BPHL is wholly-owned by Mr. LO, an Executive Director of the Company. Therefore, BPCL and BPHL are associates of Mr. LO and are connected persons of the Company. Accordingly, the Subscription pursuant to the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the Subscription, when aggregated with the Previous Subscription and treated as if they were one transaction pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, exceed 0.1% but are less than 5%, the transactions are therefore subject to the reporting and announcement requirements but are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules. For the avoidance of doubt, the applicable percentage ratios in respect of the Previous Subscription were less than 5% at the time of subscription of the shares.

Mr. LO has abstained from voting on the Board resolutions approving the Subscription as he indirectly holds 70% of the entire issued share capital of BPCL and thus has a material interest in the transaction.

DEFINITIONS

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

- “Agreement” the share subscription agreement entered into by and among STHL, BPHL and BPCL on 23 October 2015 in relation to the further subscription of shares in BPCL by STHL and BPHL in proportion to their existing shareholdings in BPCL
- “associate(s)” has the meaning ascribed to it under the Listing Rules
- “Board” the board of Directors
- “BPCL” Bastille Post Company Limited, a company incorporated in Hong Kong with limited liability

“BPHL”	Bastille Post Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Company”	Sing Tao News Corporation Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“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 the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. LO”	Mr. LO Wing Hung, an Executive Director of the Company
“Previous Subscription”	the subscription of 2,100,000 ordinary shares in BPCL by STHL on 1 May 2015
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.2 each in the capital of the Company
“STHL”	Sing Tao Holdings (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability, being an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the further subscription of 2,400,000 ordinary shares in BPCL by STHL pursuant to the Agreement

By Order of the Board
Sing Tao News Corporation Limited
SIU Sai Wo
Chief Executive Officer

Hong Kong, 23 October 2015

As at the date of this announcement, the Board comprises: (1) executive directors: Mr. HO Tsu Kwok, Charles (Chairman), Mr. SIU Sai Wo (Chief Executive Officer), Mr. HO Kent Ching Tak, Mr. JIA Hongping, Mr. LAU Chung Man, Louis, Mr. LO Wing Hung and Mrs. SY WONG Chor Fong; and (2) independent non-executive directors: Ms. Judy CHAN, Ms. HO Chiu King, Pansy Catilina, Mr. KING Richard Yun Zing and Mr. LEE Cho Jat.