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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)

MAJOR TRANSACTION

MAIN CONTRACT IN RELATION TO THE EXPANSION WORKS FOR THE GROUP'S PRINTING PREMISES

Reference is made to the Company's announcement dated 19 December 2014 in respect of the possible extension and utilization of the Printing Premises as headquarter of the Group in Hong Kong.

The Board is pleased to announce that on 23 October 2015, the Company, through its indirect wholly-owned subsidiary, GCPHL, awarded the Main Contract to the Main Contractor in relation to the Expansion Works for the Printing Premises at the Contract Sum of HK\$311,800,000.

As one of the applicable percentage ratios calculated under the Listing Rules in respect of the Main Contract exceeds 25% but less than 100%, the transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction. Written Shareholders' approval of the transaction has been obtained from Shareholders who together hold more than 50% of the issued Shares and voting rights of the Company as at the date of this announcement. On the basis that such Shareholders from a closely allied group of Shareholders, their written approval may be accepted in lieu of holding a general meeting for the approval of the transaction pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, the information required under the Listing Rules in relation to the transaction will be despatched to the Shareholders on or before 13 November 2015.

** For identification purpose only*

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MAIN CONTRACT

The principal terms of the Main Contract are as follows:

Parties

- (1) GCPHL
- (2) the Main Contractor, an independent third party

Scope of the Expansion Works

The Main Contractor shall undertake the Expansion Works for the Printing Premises which has a planned gross floor area of approximately 16,000 square metres. Upon completion, the Printing Premises will comprise a 8-storey workshop building and certain ancillary facilities, and have a total gross floor area of approximately 33,000 square metres. The Expansion Works are expected to be completed in March 2017.

Contract Sum

The Contract Sum of HK\$311,800,000 was determined after a tendering process by which several building contractors were short-listed for selection based on, inter alia, their tender prices, experience and competence, and arm's length negotiations between the parties. The Contract Sum shall be funded by internal resources of the Group.

Payment Terms

The Contract Sum shall be payable in cash to the Main Contractor in accordance with the terms of the Main Contract, a summary of which is set out below:

1. the architect appointed by GCPHL shall issue at a monthly interval an interim certificate stating the amount due to the Main Contractor by GCPHL, and GCPHL shall pay the certified amount to the Main Contractor within 30 days from the presentation of the certificate;
2. such amount as certified by the architect shall be the estimated value of work properly executed on site and the materials and goods delivered to or adjacent to the works for use thereon up to and including a date not more than 7 days before the date of such interim certificate less 10% of such certified value to be withheld by GCPHL as retention money which is subject to a maximum of 5% of the Contract Sum;
3. 50% of the retention money held shall be released upon practical completion of the Expansion Works as certified by the architect; and

4. the remaining 50% of the retention money held shall be released upon the expiration of 12 months from the date of practical completion, or rectification of the defects, shrinkages, or other faults as appeared within such 12 month period to the satisfaction of the architect, whichever is the later.

Performance Guarantee

The Main Contractor shall provide a guarantee to be issued by a bank or an insurance company in the form approved by GCPHL for the due performance of the Main Contract.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Upon completion of the Expansion Works, the Printing Premises will be a 8-storey workshop building and occupied by the Group for its operations, including the Group's printing activities and other divisions now operated at Sing Tao News Corporation Building located at 3 Tung Wong Road, Shau Kei Wan, Hong Kong. The Directors consider that the Expansion Works will have potential rental savings and better operational synergy effect on the Group.

The Directors (including the independent non-executive Directors of the Company) also consider that the terms of the Main Contract and the Contract Sum 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.

INFORMATION ON THE PARTIES

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

The Main Contractor is principally engaged in building construction and civil engineering in Hong Kong.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Main Contractor and the ultimate beneficial owner of the Main Contractor are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios calculated under the Listing Rules in respect of the Main Contract exceeds 25% but less than 100%, the transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the transaction may be given by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction; and (2) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued Shares giving the right to attend and vote at that general meeting to approve the transaction.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction.

Written approval of the transaction has been obtained from the following Shareholders who form a closely allied group of Shareholders and together hold more than 50% of the issued Shares giving the right to attend and vote at a general meeting:

Name	Number of Shares held	Approximate percentage of shareholding (Note 1)
Luckman Trading Limited (Note 2)	426,197,500	49.35%
Stagelight Group Limited (Note 3)	81,959,500	9.49%
Total	508,157,000	58.84%

Notes:

1. The percentage was calculated based on 863,456,337 issued Shares as at the date of this announcement.
2. Luckman Trading Limited is beneficially owned by Mr. HO Tsu Kwok, Charles, the Chairman and an Executive Director of the Company.
3. Stagelight Group Limited is beneficially owned by Mrs. SY WONG Chor Fong, an Executive Director of the Company.

By virtue of fulfilling all the aforesaid conditions, the written Shareholders' approval may be accepted in lieu of holding a general meeting for the approval of the transaction pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, the information required under the Listing Rules in relation to the transaction will be despatched to the Shareholders on or before 13 November 2015.

DEFINITIONS

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

“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
“Contract Sum”	HK\$311,800,000 (subject to adjustments provided under the Main Contract), being the contract price payable by GCPHL to the Main Contractor under the Main Contract
“Directors”	the directors of the Company

“Expansion Works”	the alteration and addition works at the Printing Premises and construction of a new 5-storey workshop extension building on top of the Printing Premises as specified in the Main Contract
“GCPHL”	Global China Properties Holdings Limited, a company incorporated in Hong Kong with limited liability, being an indirect wholly-owned subsidiary 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
“Main Contract”	the main contract to be entered into between GCPHL and the Main Contractor on or before 6 November 2015 in relation to the Expansion Works
“Main Contractor”	Head Fame Company Limited, a company incorporated in Hong Kong with limited liability
“Printing Premises”	the Group’s existing printing premises located at Tseung Kwan O Industrial Estate, 7 Chun Cheong Street, Tseung Kwan O, New Territories which is currently a 3-storey high block with a gross floor area of approximately 17,000 square metres
“Share(s)”	ordinary share(s) of HK\$0.2 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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.