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 2015

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 2015 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
REVENUE	3	**1,864,200**	1,986,679
Cost of sales		**(1,169,666)**	(1,266,355)
Gross profit		**694,534**	720,324
Other income and gains/(losses), net		**(864)**	18,036
Distribution expenses		**(284,789)**	(292,562)
Administrative expenses		**(336,117)**	(319,899)
Other expenses		**(21,849)**	(3,895)
Finance costs		**(207)**	(221)
Share of profits and losses of:			
Joint ventures		**11,252**	21,434
An associate		**(4,629)**	(3,588)
Impairment of amounts due from joint ventures		**-**	(755)
Impairment of loan to an associate		**(1,057)**	-
PROFIT BEFORE TAX	4	**56,274**	138,874
Income tax credit/(expense)	5	**6,006**	(24,707)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**62,280**	114,167

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

Year ended 31 December 2015

	Note	**2015** **HK$'000**	2014 HK$'000
Earnings per share attributable to ordinary equity holders of the Company – (HK cents)	7		
Basic		**7.28**	13.62
Diluted		**7.25**	13.49

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	2015 **HK$'000**	2014 HK$'000
PROFIT FOR THE YEAR	**62,280**	114,167
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**(34)**	250
Income tax effect	**-**	-
	(34)	250
Exchange differences on translation of foreign operations	**(52,173)**	(27,359)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(52,207)**	(27,109)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Gains on property revaluation	**26,434**	26,170
Income tax effect	**(5,961)**	(4,869)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**20,473**	21,301
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(31,734)**	(5,808)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**30,546**	108,359

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	Notes	**2015**	2014
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**813,063**	818,514
Investment properties		**41,292**	44,799
Goodwill		**-**	857
Other intangible assets		**120**	8,336
Investments in joint ventures		**70,760**	103,137
Investments in an associate		**-**	5,729
Available-for-sale investments		**8,247**	8,281
Deferred tax assets		**16,976**	15,013
Other deposits paid		**50,350**	55,237
Total non-current assets		**1,000,808**	1,059,903
CURRENT ASSETS			
Inventories		**49,663**	77,886
Trade receivables	8	**454,171**	492,870
Prepayments, deposits and other receivables		**47,568**	40,149
Financial assets at fair value through profit or loss		**52,619**	5,941
Loan to an associate		**4,543**	-
Tax recoverable		**6,865**	1,547
Cash and cash equivalents		**844,164**	826,095
Total current assets		**1,459,593**	1,444,488
CURRENT LIABILITIES			
Trade and bills payables	9	**68,777**	92,641
Other payables and accruals		**222,421**	234,470
Tax payable		**3,138**	56,152
Finance lease and hire purchase contract payables		**324**	971
Total current liabilities		**294,660**	384,234
NET CURRENT ASSETS		**1,164,933**	1,060,254
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,165,741**	2,120,157

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2015

	2015	2014
	HK$'000	HK$'000
NON-CURRENT LIABILITIES		
Provision	**10,800**	-
Finance lease and hire purchase contract payables	**317**	2,325
Deferred tax liabilities	**93,743**	61,850
Total non-current liabilities	**104,860**	64,175
Net assets	**2,060,881**	2,055,982
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**173,072**	167,809
Reserves	**1,887,809**	1,888,173
Total equity	**2,060,881**	2,055,982

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 2014.

The consolidated financial statements have been prepared in accordance with 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 and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements. The financial statements 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 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 2015. 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 on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. 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, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. Changes in accounting policies and disclosures

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The nature and the impact of each amendment is described below:

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

2. Changes in accounting policies and disclosures (continued)

- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

- HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the Group had no acquisition of investment properties during the year.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

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 consumer products and licenses a distribution right; and

(c) the others segment comprises the Group's Internet and information consultancy services, investment and property holding 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 2015				
Segment revenue:				
Sales to external customers	1,854,040	1,202	8,958	1,864,200
Intersegment sales	547	-	210,297	210,844
	1,854,587	1,202	219,255	2,075,044
Reconciliation:				
Elimination of intersegment sales				(210,844)
Revenue				1,864,200
Segment results	80,989	(14,666)	(9,842)	56,481
Reconciliation:				
Finance costs				(207)
Profit before tax				56,274
Segment assets	1,593,273	61,004	782,283	2,436,560
Reconciliation:				
Corporate and unallocated assets				23,841
Total assets				2,460,401
Segment liabilities	244,762	1,675	55,561	301,998
Reconciliation:				
Corporate and unallocated liabilities				97,522
Total liabilities				399,520
Other segment information:				
Share of profits and losses of:				
Joint ventures	10,132	-	1,120	11,252
An associate	(4,629)	-	-	(4,629)
Impairment losses recognised in the statement of profit or loss	(11,995)	-	-	(11,995)
Write-offs recognised in the statement of profit or loss	(857)	(7,524)	-	(8,381)
Depreciation and amortisation	(69,159)	(459)	(12,588)	(82,206)
Bank interest income	1,854	298	2,739	4,891
Investments in joint ventures	54,575	-	16,185	70,760
Investments in an associate	4,543	-	-	4,543
Capital expenditure*	27,405	3	25,508	52,916

* 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 2014				
Segment revenue:				
Sales to external customers	1,973,681	4,498	8,500	1,986,679
Intersegment sales	460	-	186,053	186,513
	1,974,141	4,498	194,553	2,173,192
Reconciliation:				
Elimination of intersegment sales				(186,513)
Revenue				1,986,679
Segment results	138,509	(1,046)	1,632	139,095
Reconciliation:				
Finance costs				(221)
Profit before tax				138,874
Segment assets	1,710,024	142,621	635,186	2,487,831
Reconciliation:				
Corporate and unallocated assets				16,560
Total assets				2,504,391
Segment liabilities	275,237	164	51,710	327,111
Reconciliation:				
Corporate and unallocated liabilities				121,298
Total liabilities				448,409
Other segment information:				
Share of profits and losses of:				
Joint ventures	19,303	-	2,131	21,434
An associate	(3,588)	-	-	(3,588)
Impairment losses recognised in the statement of profit or loss	(3,010)	-	-	(3,010)
Depreciation and amortisation	(71,208)	(383)	(7,488)	(79,079)
Bank interest income	2,223	496	903	3,622
Investments in joint ventures	87,100	-	16,037	103,137
Investments in an associate	5,729	-	-	5,729
Capital expenditure*	68,020	48	19,349	87,417

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and investment properties.

4. Profit before tax

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

	2015 **HK$'000**	2014 HK$'000
Investment income	**(1,782)**	(3,182)
Dividend income from listed equity investments	**(208)**	(484)
Dividend income from unlisted available-for-sale investments	**-**	(2,853)
Fair value losses/(gains), net on:		
Financial assets at fair value through profit or loss	**7,976**	3,107
Derivative financial instruments – transactions not qualifying as hedges	**(1,077)**	(3,278)
Investment properties	**(883)**	(4,020)
Cost of inventories sold	**392,453**	458,889
Depreciation	**81,080**	77,954
Write-off of goodwill	**857**	-
Impairment of intangible assets	**8,590**	-
Amortisation of intangible assets	**1,126**	1,125

5. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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.

	2015 **HK$'000**	2014 HK$'000
Current:		
Charge for the year:		
The People's Republic of China:		
Hong Kong	**21,187**	20,132
Elsewhere	**7**	7
Elsewhere	**-**	2,980
Under/(over)provision in prior years	**(50,993)**	168
Deferred	**23,793**	1,420
Total tax expense/(credit) for the year	**(6,006)**	24,707

6. Dividends

	2015	2014
	HK$'000	HK$'000
Interim – HK2 cents (2014: HK2 cents) per ordinary share	**17,254**	16,781
Proposed final – HK4 cents (2014: HK4 cents) per ordinary share	**34,644**	33,562
	51,898	50,343

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 the basic earnings per share amounts 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 the diluted earnings per share amounts 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 the basic and diluted earnings per share are based on:

	2015	2014
	HK$'000	HK$'000
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**62,280**	114,167

	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**855,403,330**	838,146,591
Effect of dilution – weighted average number of ordinary shares: Share options	**3,430,820**	8,172,102
	858,834,150	846,318,693

8. Trade receivables

	2015	2014
	HK$'000	HK$'000
Trade receivables	**465,316**	504,272
Impairment	**(11,145)**	(11,402)
	454,171	492,870

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:

	2015	2014
	HK$'000	HK$'000
Current to 30 days	**295,987**	337,156
31 to 60 days	**61,793**	67,045
61 to 90 days	**45,138**	41,701
91 to 120 days	**19,060**	18,436
Over 120 days	**43,338**	39,934
	465,316	504,272

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

	2015	2014
	HK$'000	HK$'000
At 1 January	**11,402**	11,076
Impairment losses recognised	**2,348**	2,255
Amounts written off as uncollectible	**(2,535)**	(1,846)
Exchange realignment	**(70)**	(83)
At 31 December	**11,145**	11,402

The individually impaired trade receivables with an aggregate carrying amount before provision of HK$11,145,000 (2014: HK$11,402,000) relate to customers that were in financial difficulties or were in default of payments and the receivables are not expected to be recovered.

8. Trade receivables (continued)

The aged analysis of the trade receivables that are not individually or collectively considered to be impaired is as follows:

	2015	2014
	HK$'000	HK$'000
Current to 30 days	**295,987**	336,951
31 to 60 days	**61,793**	66,889
61 to 90 days	**44,752**	40,965
91 to 120 days	**18,332**	16,888
Over 120 days	**33,307**	31,177
	454,171	492,870

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.

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:

	2015	2014
	HK$'000	HK$'000
Current to 30 days	**56,184**	71,616
31 to 60 days	**6,377**	12,895
61 to 90 days	**5,015**	5,867
91 to 120 days	**449**	1,527
Over 120 days	**752**	736
	68,777	92,641

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

According to admanGo, Hong Kong's overall advertising market recorded a year-on-year growth rate of only 3% in 2015, a record low since 2000 when the media monitoring data started. Given the sluggish global economy, volatile financial markets and slowdown in tourism, local economic growth came under pressure especially in the second half of the year. The Group's Media operations were affected, albeit to a lesser extent than other players in the market, and reported a decrease in segment revenue from approximately HK$1,973.7 million in 2014 to approximately HK$1,854.0 million in 2015, a reduction of 6.1% or HK$119.7 million. Segment profit of the Media operations decreased from approximately HK$138.5 million in 2014 to approximately HK$81.0 million in 2015, a reduction of 41.5% or HK$57.5 million.

Newspapers

In 2015, the newspaper advertising market grew by 2%; according to admanGo, free newspapers' advertising revenue went up by 11% whereas paid newspapers experienced a record drop of 6% in advertising revenue. Among the latter, some newspaper operations have discontinued or undergone consolidation and restructuring in view of the difficult market environment, while some others have experienced noticeable declines in income and profit. This phase of evolvement in the industry has been ongoing for some time and is expected to continue.

As the number 1 free newspaper in Hong Kong, Headline Daily is in a strong position to weather the changing market conditions. Headline Daily continued to lead in terms of circulation, printing capacity, readership and advertising. Average weekday circulation exceeded 851,000 copies (according to Hong Kong Audit Bureau of Circulations Oct-Dec 2015 report) and average readership was 1,292,000 (according to Ipsos Media Atlas Jan-Dec 2015 report); Headline Daily's readership was 25% more than the net total of the other three Chinese free dailies combined, making it not only the print advertising medium reaching the largest audience but also the most cost-effective. According to admanGo, Headline Daily was the newspaper in Hong Kong with the largest amount of advertising in 2015 both in terms of volume and revenue. It was also the market leader in a range of categories spanning Banking and Retail to Education, and achieved substantial growth in major categories such as Pharmaceuticals, Travel and Property. Although advertising revenue grew steadily in the first half, the slackened market conditions in the second half posed a drag on the growth momentum especially towards the end of the year. Headline Daily was able to maintain its advertising page rates by focusing on providing an effective advertising platform and value-add services to its customers; for example it increased its circulation to 1 million copies during the consumption peak periods of Chinese New Year and Christmas to serve the needs of advertisers. Going forward, Headline Daily will continue to enhance its content and employ innovative promotion formats to create more value for its readers and advertisers

Although Sing Tao Daily's first half results exceeded expectations, the consumer market slowdown and the stock market falloff in the second half had a dampening effect which somewhat offset the earlier growth. The volume of advertising held up but page rates came under pressure. According to admanGo, Sing Tao Daily was the newspaper with the second largest amount of advertising in volume terms in 2015. Apart from the Property category where Sing Tao Daily achieved further growth in advertising despite the reversal in the local real estate market during the year, considerable gains were also made in such categories as Automobile and Home & Living. This can be attributable to the newspaper's efforts on creating high value-add content that is pertinent to its middle-class readers, such as Lifestyle Features, Finance and Education. At the same time, the newspaper is committed to objective news reporting and a neutral positioning which enable it to maintain a consistent image and a loyal reader base. The paid newspaper market is in a phase of structural change and only the fittest will survive; Sing Tao Daily will adhere to providing a premium product while optimizing its operations continually to maximize competitiveness.

The Standard achieved stable results in the first half of the year, but the worsening market conditions in the second half dragged down its performance especially in the fourth quarter. Despite the slowdown in some advertising categories such as Banking and Luxury Products, The Standard was able to grow its advertising in Overseas Properties, Hotels and Travel. It also supplemented its advertising revenue with income from services to customers including publishing tailored supplements, organizing events and custom-publishing projects.

In 2015, the global economy experienced the slowest growth since 2009 and this has affected the overseas operations of Sing Tao Daily. Changes in advertiser and reader behavior and competition from new media also contributed to a deterioration in the unit's results, exacerbated by the depreciation of non-US dollar based currencies. To mitigate against these, the unit implemented a number of cost saving measures including rationalizing the management and staff structure, streamlining day-to-day operations and work flow, and stringent control over expenses. At the same time, adjustments to the products' positioning were made and supplementary products were launched to maximize revenue sources.

Magazines

Hong Kong's magazine advertising experienced a record decline of 15% in 2015 (according to admanGo), mainly due to decreases in advertising spending by the cosmetics, luxury and fashion segments, in turn a result of the slowdown in the retail industry and negative consumer sentiment. Competition was intense as digital media joined in to contend for a reduced advertising pie. The austere market environment gave rise to a series of consolidation in the magazine sector, and a number of titles ranging from fashion to entertainment magazines have withdrawn from the market. Inevitably, the Group's Magazine unit reported a drop in advertising and circulation revenue. In view of the tough market conditions, the unit focused on increasing its competitiveness by strengthening its core products to differentiate their market positioning. East Week was able to increase its readership, according to Ipsos Media Atlas Jan-Dec 2015 report, while its infotainment magazine competitor recorded a considerable decline. At the same time, the Magazine unit reorganized its operations to achieve a more resilient and competitive cost structure, including rationalization and sharing of editorial resources, and redeployment of resources to further build up its digital and social media business. It also introduced a change to PC Market's operating model whereby starting from 1 January 2016 the title's business has been licensed to its management team.

Recruitment Media

The Group continued to occupy the number 1 position in the recruitment print media market in Hong Kong. According to admanGo, JobMarket had the largest share of advertising spending among print recruitment publications in Hong Kong in 2015, and was able to maintain its total advertising revenue while other competitors experienced a decline. According to Ipsos Media Atlas Jan-Dec 2015 report, JobMarket saw a 27% increase in readership in 2015 and remained the leading recruitment publication. In addition, with the extension of "Headline Hot Jobs", published in Headline Daily, to three times a week (Monday, Wednesday and Saturday), significant increases in revenue and profit were recorded. The Group's print recruitment products comprising JobMarket, Headline Hot Jobs and The StandardJobs together formed an extensive and effective advertising medium for recruiters; investments are being made in the unit's online recruitment platform to complement the print publications and are expected to contribute to further growth.

New Media Business Development

In 2015, the Group has placed more management focus and resources to develop its new media business, in view of the industry trend under which advertisers gradually increase their budget allocations to the digital media sector. As well, given the strong and stable positions of the Group's traditional media businesses in the market we considered that the investments in the new media sector would not burden the core businesses, financially or operationally. The Group's strategy in developing its new media business is to focus on areas where it can leverage on its existing strengths and where there are synergies with existing businesses.

"Headline POPNews", the video site launched in 2014, was revamped and upgraded during the year to offer a diversity of stories and videos on entertainment and current affairs. Average video views surged by 540% in 2015, and in January 2016 one of the videos drew record high video views of over 280,000. The site won the silver prize in the "Best Launch / Relaunch" and "Best Use of Integration" categories at the Spark Awards 2015. In addition, the flip-page app of Headline Daily was awarded by The Office for Film, Newspaper and Article Administration as a winner in the "2014 Healthy Mobile Phone / Tablet Apps Nomination Programme" as well as in the "2015 Meritorious Websites Contest"; in both cases Headline Daily was the only Chinese-language media from Hong Kong to receive the accolades.

In October 2015, the Group launched an all-new product, Ohpama.com, a one-stop portal for education and parenting providing information on local and overseas education, parenting as well as relevant events and products. The website has seen consistent increases in traffic, with weekly page views and browsers having increased by 740% and 440%, respectively, from the beginning of November 2015 to the end of February 2016. The website also actively utilizes social media to attract and engage readers. Response from advertisers has been very positive and clients have ranged from infant formulas to shopping malls and insurance products.

Prospects

The global economy, having experienced the slowest growth since 2009, is expected to stay lackluster in 2016 with considerable downside risks. In Hong Kong, the Government projected economic growth to be 1-2% in 2016, below the average annual growth rate of 3.4% in the past ten years. Advertisers will be more cautious with their spending, and the transformation in the traditional media industry will present a factor of uncertainty.

In this uncertain environment it is all the more important that we adhere to the strategy of focusing on our competitiveness, by strengthening our core media products, by exercising vigilant control over all costs and by being adaptive in our use of resources to maximize synergies. At the same time, we shall be astute in adjusting our business models and developing our new media business to capture additional revenue and profit prospects. Although the profit outlook in the short term is expected to be under pressure due to the general environment, our strong market standing, our healthy financial position and our well-defined strategy will give us longer term strength and resilience that will stand us in good stead.

Employees

As at 31 December 2015, the Group had approximately 2,108 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 HK4 cents per ordinary share for the year. Together with the interim dividend of HK2 cents per ordinary share paid to shareholders on 22 September 2015, the total annual dividend will amount to HK6 cents per ordinary share for the financial year (2014: HK6 cents). The proposed final dividend, if approved at the forthcoming annual general meeting of the Company to be held on Thursday, 5 May 2016 (the "AGM"), will be payable on 20 May 2016.

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 Tuesday, 3 May 2016. 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 Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 3 May 2016.

CLOSURE OF REGISTER OF MEMBERS FOR PROPOSED FINAL DIVIDEND

The register of members of the Company will be closed on Wednesday, 11 May 2016 and Thursday, 12 May 2016, 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 Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 10 May 2016.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 A.6.7 and E.1.2, the Chairman of the Board and all independent non-executive directors of the Company shall attend the annual general meeting of the Company. The Chairman of the Board and all independent non-executive directors were unable to attend the annual general meeting of the Company held in 2015 due to prior or unexpected business engagements.

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 2015 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, 23 March 2016

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 and Mr. LO Wing Hung; 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.