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 2016

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 2016 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2016

	Notes	**2016** **HK$'000**	2015 HK$'000 (Restated)
CONTINUING OPERATIONS			
REVENUE	4	**1,608,966**	1,862,998
Cost of sales		**(1,010,634)**	(1,168,480)
Gross profit		**598,332**	694,518
Other income and gains/(losses), net		**7,806**	(1,877)
Distribution expenses		**(253,178)**	(283,804)
Administrative expenses		**(307,576)**	(330,300)
Other expenses		**(10,382)**	(12,956)
Finance costs		**(29)**	(207)
Share of profits and losses of:			
Joint ventures		**5,466**	11,252
Associates		**(225)**	(4,629)
Gain on disposal of partial interest in a joint venture		**4,170**	-
Impairment of a loan to an associate		**-**	(1,057)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	5	**44,384**	70,940

* *For identification purpose only*

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

Year ended 31 December 2016

	Notes	**2016** **HK$'000**	2015 HK$'000 (Restated)
Income tax credit/(expense)	6	**(10,562)**	6,006
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**33,822**	76,946
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	7	**-**	(14,666)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**33,822**	62,280
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY – (HK cents)	9		
Basic			
- For profit for the year		**3.91**	7.28
- For profit from continuing operations		**3.91**	9.00
Diluted			
- For profit for the year		**3.91**	7.25
- For profit from continuing operations		**3.91**	8.96

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2016

	2016 HK$'000	2015 HK$'000
PROFIT FOR THE YEAR	**33,822**	62,280
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	**(100)**	(34)
Income tax effect	**-**	-
	(100)	(34)
Exchange differences on translation of foreign operations	**6,057**	(52,173)
Release of exchange fluctuation reserve upon disposal of partial interest in a joint venture	**(1,579)**	-
	4,478	(52,173)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**4,378**	(52,207)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Gains on property revaluation	**26,537**	26,434
Income tax effect	**(6,652)**	(5,961)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**19,885**	20,473
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**24,263**	(31,734)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**58,085**	30,546

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2016

	Notes	**2016** **HK$'000**	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**994,103**	813,063
Investment properties		**42,016**	41,292
Goodwill		**-**	-
Other intangible assets		**109**	120
Investments in joint ventures		**61,820**	70,760
Investments in associates		**12,380**	-
Available-for-sale investments		**8,147**	8,247
Financial assets at fair value through profit or loss		**7,800**	-
Deferred tax assets		**16,065**	16,976
Other deposits paid		**57,862**	50,350
Total non-current assets		**1,200,302**	1,000,808
CURRENT ASSETS			
Inventories		**44,268**	49,663
Trade receivables	10	**429,884**	454,171
Prepayments, deposits and other receivables		**45,802**	47,568
Financial assets at fair value through profit or loss		**91,573**	52,619
Loan to an associate		**-**	4,543
Tax recoverable		**5,854**	6,865
Cash and cash equivalents		**668,835**	844,164
Total current assets		**1,286,216**	1,459,593
CURRENT LIABILITIES			
Trade and bills payables	11	**57,603**	68,777
Other payables and accruals		**240,934**	222,421
Tax payable		**3,082**	3,138
Finance lease and hire purchase contract payables		**315**	324
Total current liabilities		**301,934**	294,660
NET CURRENT ASSETS		**984,282**	1,164,933
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,184,584**	2,165,741

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2016

	2016	2015
	HK$'000	HK$'000
NON-CURRENT LIABILITIES		
Provision	**10,800**	10,800
Finance lease and hire purchase contract payables	**2**	317
Deferred tax liabilities	**100,519**	93,743
Total non-current liabilities	**111,321**	104,860
Net assets	**2,073,263**	2,060,881
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**173,222**	173,072
Reserves	**1,900,041**	1,887,809
Total equity	**2,073,263**	2,060,881

NOTES

1. Basis of preparation

The accounting policies and methods of computation used in the preparation of the consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2015.

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, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, leasehold land and buildings, certain derivative financial instruments and certain investments which have been measured at fair value. The 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 2016. 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 new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements to HKFRSs 2012-2014 Cycle	

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;
(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

2. Changes in accounting policies and disclosures (continued)

(b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) *Annual Improvements to HKFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments to HKFRS 5 are as follows:

- HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any plan of sale or distribution of non-current assets or disposal group.

3. Operating segment information

The Group is principally engaged in the business of publishing and distribution of newspapers, magazines and books to readers in Hong Kong, Canada, the United States of America, Europe, Australia and New Zealand, and sales of respective content of such publications in Hong Kong and Mainland China.

In prior years, the Group was organised into business units based on their products and services and had 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 traded consumer products and licensed 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)

During the year ended 31 December 2016, the Group discontinued the business of trading of consumer products and licensing of a distribution right. Upon the discontinuation of the trading segment, management of the Group reassessed the Group's segment reporting and decided that for financial reporting purposes, the others segment is combined with the media segment as the resources allocation, performance assessment and decision making of these two segments are no longer considered separately.

For the year ended 31 December 2016, the Group operates as a single operating segment. The impact of the abovementioned change in the Group's reportable operating segments for the year ended 31 December 2015 is considered retrospectively and the Group's operating segment information is restated as if the Group had been operating as a single operating segment in that year. The single operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segment, have been identified as the executive directors that make strategic decisions.

None of the revenue derived from any single external customer amounted for more than 10% of the Group's revenue during the year (2015: Nil).

4. Revenue

Revenue represents the net advertising income, after trade discounts; circulation income, after allowances for returns; net invoiced value of goods sold, after allowance for returns and trade discounts; gross rental income received and receivable and the value of services rendered during the year.

An analysis of revenue from continuing operations is as follows:

	2016 **HK$'000**	2015 HK$'000 (Restated)
Advertising income	**1,287,246**	1,492,148
Circulation income	**211,959**	239,835
Content sales and news service income	**25,430**	27,922
Radio broadcasting advertising income	**24,508**	23,821
Gross rental income	**4,268**	4,148
Others	**55,555**	75,124
	1,608,966	1,862,998

5. Profit before tax from continuing operations

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

	2016	2015
	HK$'000	HK$'000
		(Restated)
Investment income	**(3,150)**	(1,692)
Dividend income from listed equity investments	**(247)**	(208)
Fair value losses/(gains), net on:		
Financial assets at fair value through profit or loss	**873**	7,976
Derivative financial instruments – transactions not qualifying as hedges	**(277)**	(1,077)
Investment properties	**(45)**	(883)
Cost of inventories sold	**311,285**	391,737
Depreciation	**75,238**	81,007
Write-off of goodwill	**-**	857
Impairment of intangible assets	**1,000**	8,590
Amortisation of intangible assets	**11**	1,126

6. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 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.

	2016	2015
	HK$'000	HK$'000
Current:		
Charge for the year:		
The People's Republic of China:		
Hong Kong	**12,322**	21,187
Elsewhere	**4**	7
Overprovision in prior years	**(2,786)**	(50,993)
Deferred	**1,022**	23,793
Total tax charge/(credit) for the year	**10,562**	(6,006)

7. Discontinued operation

During the year ended 31 December 2016, the Group discontinued the business of trading of consumer products and licensing of a distribution right. The results of the discontinued operation for the years ended 31 December 2016 and 2015 are presented below:

	2016	2015
	HK$'000	HK$'000
Revenue and other income	**-**	2,215
Cost of sales and expenses	**-**	(16,881)
Loss before tax from the discontinued operation	**-**	(14,666)
Income tax related to pre-tax loss	**-**	-
Loss for the year from the discontinued operation	**-**	(14,666)

The net cash flows incurred by the discontinued operation are as follows:

	2016	2015
	HK$'000	HK$'000
Operating activities	**-**	(56,518)
Investing activities	**-**	274
Net cash outflow	**-**	(56,244)
Loss per share:		
Basic, from the discontinued operation	**-**	HK1.72 cents
Diluted, from the discontinued operation	**-**	HK1.71 cents

The calculations of basic and diluted earnings per share from the discontinued operation are based on:

	2016	2015
	HK$'000	HK$'000
Loss attributable to ordinary equity holders of the Company from the discontinued operation	**-**	(14,666)
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**-**	855,403,330
Weighted average number of ordinary shares used in the diluted earnings per share calculation	**-**	858,834,150

8. Dividends

	2016	2015
	HK$'000	HK$'000
Interim – HK2 cents (2015: HK2 cents) per ordinary share	**17,322**	17,254
Proposed:		
Final – HK4 cents (2015: HK4 cents) per ordinary share	**34,644**	34,644
Special – HK2 cents (2015: Nil) per ordinary share	**17,322**	-
	69,288	51,898

The proposed final dividend and special dividend for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. 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:

	2016	2015
	HK$'000	HK$'000
		(Restated)
Earnings		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation:		
From continuing operations	**33,822**	76,946
From the discontinued operation	**-**	(14,666)
	33,822	62,280

9. Earnings per share attributable to ordinary equity holders of the Company (continued)

	Number of shares	
	2016	2015
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**866,098,140**	855,403,330
Effect of dilution – weighted average number of ordinary shares: Share options	**1,814**	3,430,820
	866,099,954	858,834,150

10. Trade receivables

	2016	2015
	HK$'000	HK$'000
Trade receivables	**445,834**	465,316
Impairment	**(15,950)**	(11,145)
	429,884	454,171

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:

	2016	2015
	HK$'000	HK$'000
Current to 30 days	**249,273**	295,987
31 to 60 days	**59,022**	61,793
61 to 90 days	**42,796**	45,138
91 to 120 days	**25,756**	19,060
Over 120 days	**68,987**	43,338
	445,834	465,316

10. Trade receivables (continued)

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

	2016	2015
	HK$'000	HK$'000
At 1 January	**11,145**	11,402
Impairment losses recognised	**7,430**	2,348
Amounts written off as uncollectible	**(2,567)**	(2,535)
Exchange realignment	**(58)**	(70)
At 31 December	**15,950**	11,145

The individually impaired trade receivables with an aggregate carrying amount before provision of HK$15,950,000 (2015: HK$11,145,000) relate to customers that were in financial difficulties or were in default of payments and the receivables are not expected to be recovered.

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

	2016	2015
	HK$'000	HK$'000
Neither past due nor impaired	**195,468**	237,864
Less than 30 days past due	**53,805**	58,123
31 to 90 days past due	**101,317**	106,545
Over 91 days past due	**79,294**	51,639
	429,884	454,171

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.

11. 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:

	2016	2015
	HK$'000	HK$'000
Current to 30 days	**42,052**	56,184
31 to 60 days	**12,154**	6,377
61 to 90 days	**1,891**	5,015
91 to 120 days	**499**	449
Over 120 days	**1,007**	752
	57,603	68,777

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Hong Kong's advertising market had a poor year in 2016, having recorded a decline of 12% from the previous year, the first negative growth experienced since the admanGo media monitoring data started in 2000. Uncertainties in the global economies dragged economic growth in Hong Kong, and local retail sales recorded year-on-year decline every month throughout 2016. The weak consumer sentiment caused advertisers to cut marketing expenditure and resulted in a slackened advertising market. Affected by the difficult business conditions, the Group reported a decrease in consolidated revenue from approximately HK$1,863.0 million in 2015 to approximately HK$1,609.0 million in 2016. Profit attributable to owners of the Company decreased from approximately HK$62.3 million in 2015 to approximately HK$33.8 million in 2016.

Newspapers

According to admanGo, the total newspaper advertising market saw a 10% year-on-year decline in 2016; free newspapers' advertising revenue experienced a drop for the first time, by 1%, whereas paid newspapers' advertising revenue was down by 20%. Paid newspapers' advertising revenue was overtaken by free newspapers, with the latter accounting for 54% of the total newspaper advertising market in 2016.

Headline Daily continued to be Hong Kong's number 1 free newspaper. Average weekday circulation was over 820,000 copies, according to Hong Kong Audit Bureau of Circulations Oct-Dec 2016 report. Commanding an average readership of over 1.2 million (according to Ipsos Media Atlas Jan-Dec 2016 report), the largest among all newspapers in Hong Kong, Headline Daily was read by almost 80% of total Chinese free newspaper readers. With access to such a mass audience, Headline Daily provided a powerful marketing medium for advertisers. According to admanGo, Headline Daily remained the newspaper in Hong Kong with the highest advertising revenue in 2016. It was the market leader in a range of categories such as Travel, Restaurants and Food where it continued to achieve revenue growth. Although overall advertising revenue was adversely affected by the weak market in 2016, Headline Daily further diversified its advertiser base and adopted more proactive strategies to better serve its advertisers. At the same time, it continued to provide high-quality content and added value to readers. During the year, Headline Daily was the only free newspaper to publish a number of special editions, on the Policy Address, the Budget, the riot in Mong Kok and the Legislative Council elections. Headline Finance paper, the most widely-read finance newspaper, achieved a year-on-year increase in readership of 13% in 2016 (according to Ipsos Media Atlas Jan-Dec 2016 report). In April, the Headline Daily "Jetso" app was launched to bring exclusive offers and promotional privileges to readers, and over 3 million of participations were registered during the campaigns from April to June and August to October. The app has continued to serve as an effective platform for advertisers to promote their products and for consumers to access information.

As a paid newspaper, Sing Tao Daily faced a tough operating environment in 2016 given the fragile consumer and business spending environment as well as the shrinking advertising market. Nevertheless, Sing Tao Daily kept its profitability relatively stable thanks to efforts on optimizing operational efficiency and sharing of resources under a "central kitchen" concept. Sing Tao Daily remained committed to provide high-quality content that meets the needs of its discerning readers. In 2016, Sing Tao Daily continued to strengthen its content in a range of areas including, for example, the introduction of an 8-page art-paper Art & Culture section and the addition of columns by notable commentators and celebrities in its Racing section. According to admanGo, while paid newspapers' advertising revenue saw a 20% decline in 2016, Sing Tao Daily recorded the mildest drop and was the paid newspaper with the largest amount of advertising revenue in categories such as Property, Retail and Non-Profit Organizations. Following a round of price increase by other paid newspapers since November 2016, the cover price of Sing Tao Daily was increased from HK$7 to HK$8 on 1 March 2017.

The weak advertising market in 2016 also took its toll on English-language newspapers, and although advertising revenue of The Standard was adversely affected the decrease was less than the competition. Despite the slowdown in some advertising categories such as Property and Hotels, The Standard was able to diversify its advertiser base and grow its revenue in other categories such as Home & Living and Entertainment. According to Ipsos Media Atlas Jan-Dec 2016 report, The Standard achieved a year-on-year 7% increase in readership in 2016.

The overseas operations of Sing Tao Daily maintained relatively steady results in 2016 despite the uncertain global markets and the increasing challenges from other forms of media which put pressure on both advertising and circulation revenue. While the US operations managed to preserve their bottom line through measures to save costs and increase productivity, the strengthening of the US dollar exerted a further negative impact on results in Australia and Canada. To cope with the ongoing difficult market trend, the overseas unit will continue to focus efforts on improving the newspapers' competitiveness, maintaining an agile cost structure as well as exploring new revenue sources.

Magazines

Among the different media categories in Hong Kong, the magazine market experienced the most acute decline in advertising revenue in 2016, recording a drop of 33% and negative growth for the third consecutive year (according to admanGo), especially in segments such as cosmetics, fashion, beauty and luxury products, reflecting a weak local retail industry as well as heightened competition from new media. Consolidation in the magazine market continued to take place and a number of titles ceased operations. Given that the Group's Magazine unit had taken early steps to mitigate against the industry downturn, including realigning its cost structure and work processes as well as consolidating its resources, it managed to keep its performance under control despite the drop in revenue. In particular, the flagship magazine East Week achieved a notable improvement in bottom line thanks to its cost control efforts. The Magazine unit will continue to integrate digital development into its products, in order to extend the reader and income bases and generate growth for the future.

Recruitment Media

In 2016, the Group continued to occupy the number 1 position in Hong Kong's recruitment print media market. According to admanGo, while there was a drop in advertising revenue among all print recruitment publications in 2016, JobMarket held the largest share of advertising spending and maintained its market share. According to Ipsos Media Atlas Jan-Dec 2016 report, JobMarket's readership increased by 22% in 2016 and continued to be the recruitment publication with the largest readership. Leveraging on the mass readership base of Headline Daily, "Headline Hot Jobs" expanded its color-classified section to serve the recruitment needs of smaller-scale employers. The unit has continued to invest in its online recruitment platform to complement its print publications.

New Media Business Development

The Group has continued to develop its new media business in response to market demand, focusing on areas with competitive strengths and which do not compete directly with existing businesses. Through reallocation of staff and better utilization of editorial resources, progress in the Group's new media business has been achieved without any particular addition in manpower.

The video site "Headline POPNews" further enhanced the quantity and quality of its content during the year to offer a diversity of videos on a variety of topics. Average monthly video views in Q4 2016 increased by 227% compared with Q4 2015, and average monthly browsers increased by 460%. Headline Daily's website hd.stheadline.com saw an increase in average monthly browsers of 120% and an increase in average monthly page views of 67% from Q4 2015 to Q4 2016, with the growth mainly driven by real time news. Sing Tao Daily's website std.stheadline.com also achieved satisfactory growth in traffic, with a 49% increase in average monthly browsers and a 43% increase in average monthly page views from Q4 2015 to Q4 2016.

Ohpama.com, the one-stop education and parenting portal launched by the Group in October 2015, achieved significant growth in traffic during 2016. With monthly page views having increased by 476% and monthly browsers having increased by 274%, respectively, from November 2015 to November 2016, it was the fastest growing parenting website in Hong Kong during this period. It is also the top parenting social media in Hong Kong, currently attracting total fans of over 350,000 for the facebook pages of Ohpama.com and 24parent.com (a section of Ohpama.com). Ohpama.com is renowned for its team of experts on parenting, education and study, and has gained a strong recognition in the market as an authoritative platform for education and parenting.

In response to the increasing demand from advertisers for cross-media marketing services, the Group formed a new digital marketing company, Shimba Digital Limited, at the beginning of 2017 to coordinate the sales and marketing of the Group's multiple media platforms. Shimba Digital Limited aims to provide one-stop online-to-offline marketing solutions leveraging the Group's diverse platforms from traditional print to video and other digital media.

Prospects

Global economic growth in 2016 was the weakest since the financial crisis of 2009. Going into 2017, economic uncertainties and risks still abound locally and around the world, particularly those related to the new US administration, Brexit issues as well as renewed global financial volatility. The outlook for the advertising market is doubtful, as the retail market remains lackluster and advertisers still appear to be cautious with their spending. At the same time, the structural changes in the media industry continue to pose challenges to traditional media.

In view of the uncertainties and risks ahead, the Group will continue to focus on improving the competitiveness of its core media businesses and maximizing its efficiency for a resilient and sustainable operating structure. The expansion works at the Group's Tseung Kwan O premises have progressed on schedule and the workplace relocation plan will proceed before the end of 2017, which will contribute to cost savings as well as increased synergies in operations. At the same time, the Group has continued to invest in new media business and to redeploy resources towards building its digital business in order to serve the needs of both advertisers and readers. Given the Group's strong position in the traditional media market, our diversified media portfolio and our progress in digital business development, we are confident of weathering the present challenges to deliver improved performance when the environment recovers.

Employees

As at 31 December 2016, the Group had approximately 1,782 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.

EVENT AFTER THE REPORTING PERIOD

On 13 January 2017, the Company granted 45,150,000 share options to subscribe for ordinary shares of HK$0.2 each in the capital of the Company under the share option scheme adopted by the Company on 23 May 2012 to certain eligible employees. Among the 45,150,000 share options granted, 20,300,000 share options were granted to the directors, chief executive and substantial shareholder of the Company. For details of the aforesaid grant of share options, please refer to the announcement of the Company dated 13 January 2017. As at the date of this announcement, none of these share options granted to those eligible employees were exercised.

DIVIDENDS

The Board recommends a final dividend of HK4 cents (2015: HK4 cents) per ordinary share and a special dividend of HK2 cents (2015: Nil) per ordinary share for the year. Together with the interim dividend of HK2 cents per ordinary share paid to shareholders on 23 September 2016, the total annual dividend will amount to HK8 cents per ordinary share for the financial year (2015: HK6 cents). The proposed final dividend and special dividend, if approved at the forthcoming annual general meeting of the Company to be held on Thursday, 4 May 2017 (the "AGM"), will be payable on 19 May 2017.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining members who are qualified for attending and voting at the AGM, the register of members of the Company will be closed from Wednesday, 26 April 2017 to Thursday, 4 May 2017, both days inclusive, during which no transfer of shares will be registered. 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, 25 April 2017.

For the purpose of determining members who are entitled to the final dividend and special dividend, the register of members of the Company will be closed on Wednesday, 10 May 2017 and Thursday, 11 May 2017, on which dates no transfer of shares will be registered. In order to qualify for the final dividend and special 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, 9 May 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold 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 2016 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.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young ("EY"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by EY on the preliminary announcement.

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 2016 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, 29 March 2017

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.