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 2018

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 2018 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2018

	Notes	**2018**	2017
		HK$'000	HK$'000
REVENUE	4	**1,431,704**	1,511,864
Cost of sales		**(895,401)**	(929,000)
Gross profit		**536,303**	582,864
Other income and gains, net	4	**18,528**	35,243
Distribution expenses		**(235,176)**	(240,240)
Administrative expenses		**(280,636)**	(311,324)
Other expenses		**(5,358)**	(9,468)
Finance costs		**(1)**	(11)
Share of profits and losses of:			
Joint ventures		**4,238**	6,663
Associates		**7,137**	1,148
PROFIT BEFORE TAX	5	**45,035**	64,875

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)
Year ended 31 December 2018

	Notes	**2018** **HK$'000**	2017 HK$'000
Income tax expense	6	**(20,792)**	(23,526)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**24,243**	41,349
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY – (HK cents)	8		
Basic		**2.80**	4.77
Diluted		**2.80**	4.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2018

	2018 HK$'000	2017 HK$'000
PROFIT FOR THE YEAR	**24,243**	41,349
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**-**	816
Income tax effect	**-**	-
	-	816
Exchange differences on translation of foreign operations	**(7,286)**	21,646
Net other comprehensive income/(loss) that may be be reclassified to profit or loss in subsequent periods	**(7,286)**	22,462
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Gains on property revaluation	**71,344**	79,912
Income tax effect	**(11,239)**	(16,872)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**60,105**	63,040
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**52,819**	85,502
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**77,062**	126,851

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2018

	Notes	**2018**	2017
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,256,862**	1,271,590
Investment properties		**65,526**	49,762
Other intangible assets		**100**	100
Investments in joint ventures		**57,666**	64,706
Investments in associates		**16,997**	14,803
Equity investments designated at fair value through other comprehensive income		**47**	-
Financial assets at fair value through profit or loss		**11,249**	-
Available-for-sale investments		**-**	10,264
Deferred tax assets		**3,900**	13,644
Other deposits paid		**65,953**	55,495
Total non-current assets		**1,478,300**	1,480,364
CURRENT ASSETS			
Inventories		**59,475**	55,660
Trade receivables	9	**363,186**	411,408
Prepayments, other receivables and other assets		**34,306**	44,578
Financial assets at fair value through profit or loss		**85,129**	99,735
Loan to an associate		**4,543**	-
Tax recoverable		**2,433**	4,087
Cash and cash equivalents		**527,627**	517,317
Total current assets		**1,076,699**	1,132,785
CURRENT LIABILITIES			
Trade and bills payables	10	**86,660**	66,583
Other payables and accruals		**201,201**	265,941
Provision		**-**	5,446
Tax payable		**13,299**	19,891
Total current liabilities		**301,160**	357,861
NET CURRENT ASSETS		**775,539**	774,924
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,253,839**	2,255,288
NON-CURRENT LIABILITY			
Deferred tax liabilities		**117,543**	113,756
Net assets		**2,136,296**	2,141,532

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2018

	2018	2017
	HK$'000	HK$'000
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**173,222**	173,222
Reserves	**1,963,074**	1,968,310
Total equity	**2,136,296**	2,141,532

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

These 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, land and buildings, certain derivative financial instruments, equity investments and debt securities, and financial assets at fair value 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.

Basis of consolidation

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 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current liability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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 above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

1. Basis of preparation (continued)

Basis of consolidation (continued)
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 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements *2014-2016 Cycle*	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9, HKFRS 15 and its amendments, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

(a) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

Classification and measurement
The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

2. Changes in accounting policies and disclosures (continued)

(a) (continued)

Classification and measurement (continued)

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 is as follows:

	Notes	HKAS 39 measurement Category	HKAS 39 measurement Amount HK$'000	Re-classification HK$'000	HKFRS 9 measurement Amount HK$'000	HKFRS 9 measurement Category
Financial assets						
Equity investments designated at fair value through other comprehensive income		N/A	-	47	47	FVOCI[1] (equity)
From: Available-for-sale investments	(i)			47		
Available-for-sale investments		AFS[2]	10,264	(10,264)	-	N/A
To: Equity investments designated at fair value through other comprehensive income	(i)			(47)		
To: Financial assets at fair value through profit or loss	(ii)			(10,217)		
Trade receivables		L&R[3]	411,408	-	411,408	AC[4]
Financial assets included in prepayments, other receivables and other assets		L&R	32,923	-	32,923	AC
Financial assets at fair value through profit or loss		FVPL[5]	99,735	10,217	109,952	FVPL (mandatory)
From: Available-for-sale investments	(ii)			10,217		
Loan to an associate		L&R	4,543	-	4,543	AC
Cash and cash equivalents		L&R	517,317	-	517,317	AC
			1,076,190	-	1,076,190	
Financial liabilities						
Trade and bills payables		AC	66,583	-	66,583	AC
Financial liabilities included in other payables and accruals		AC	190,469	-	190,469	AC
			257,052	-	257,052	

[1] FVOCI: Financial assets at fair value through other comprehensive income

[2] AFS: Available-for-sale investments

[3] L&R: Loans and receivables

[4] AC: Financial assets or financial liabilities at amortised cost

[5] FVPL: Financial assets at fair value through profit or loss

2. Changes in accounting policies and disclosures (continued)

(a) (continued)

Classification and measurement (continued)

Notes:

(i) The Group has elected the option to irrevocably designate certain of its previous available-for-sale equity investments as equity investments at fair value through other comprehensive income.

(ii) The Group has classified its unlisted investments previously classified as available-for-sale investments as financial assets measured at fair value through profit or loss as these non-equity investments did not pass the contractual cash flow characteristics test in HKFRS 9.

Impact on reserves and retained profits

The impact of transition to HKFRS 9 on reserves and retained profits is as follows:

	Retained profits and reserves HK$'000
Fair value reserve under HKFRS 9 (available-for-sale investment revaluation reserve under HKAS 39)	
Balance as at 31 December 2017 under HKAS 39	7,209
Reclassification of financial assets from available-for-sale investments to financial assets at fair value through profit or loss	(7,209)
Balance as at 1 January 2018 under HKFRS 9	-
Retained profits	
Balance as at 31 December 2017 under HKAS 39	1,309,138
Reclassification of available-for-sale investments to financial assets at fair value through profit or loss	7,209
Balance as at 1 January 2018 under HKFRS 9	1,316,347

2. Changes in accounting policies and disclosures (continued)

(b) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

The Group has reviewed the impact of HKFRS 15 on its revenue stream and the application of HKFRS 15 has had no significant financial impact on the financial position and/or financial performance of the Group apart from classification of consideration received from customers in advance and providing more extensive disclosures on the Group's revenue transactions.

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.

The Group operates as a single operating segment. 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 (2017: Nil).

4. Revenue, other income and gains, net

An analysis of revenue is as follows:

	2018	2017
	HK$'000	HK$'000
Revenue from contracts with customers	**1,426,107**	-
Advertising income	**-**	1,196,931
Circulation income	**-**	199,560
Content sales and news service income	**-**	26,852
Radio broadcasting advertising income	**-**	23,735
Project management service income	**-**	22,220
Service income	**-**	17,297
Others	**-**	20,585
Revenue from other sources		
Gross rental income	**5,597**	4,684
	1,431,704	1,511,864

Revenue from contracts with customers
Disaggregated revenue information

For the year ended 31 December 2018

	HK$'000
Type of goods or services	
Advertising income	**1,127,443**
Circulation income	**182,570**
Content sales and news service income	**27,439**
Radio broadcasting advertising income	**24,726**
Project management service income	**32,317**
Service income	**13,985**
Others	**17,627**
Total revenue from contracts with customers	**1,426,107**

4. Revenue, other income and gains, net (continued)

An analysis of other income and gains, net is as follows:

	2018 HK$'000	2017 HK$'000
Other income		
Bank interest income	**4,046**	3,351
Investment income	**3,781**	4,261
Dividend income from equity investments	**1,752**	2,028
Others	**7,351**	4,381
	16,930	14,021
Gains/(losses), net		
Fair value gains/(losses), net on:		
Financial assets at fair value through profit or loss	**(3,376)**	6,967
Derivative financial instruments – transactions not qualifying as hedges	**302**	867
Investment properties	**7,211**	5,951
Gain/(loss) on disposal of items of property, plant and equipment	**(1,752)**	5,268
Gain on disposal of investment properties	**4,786**	-
Foreign exchange gains/(losses), net	**(5,573)**	2,169
	1,598	21,222
Total other income and gains, net	**18,528**	35,243

5. Profit before tax

The Group's profit before tax is arrived at after charging:

	2018 HK$'000	2017 HK$'000
Cost of inventories sold	**282,125**	283,012
Depreciation	**86,690**	77,369
Amortisation of intangible assets	**-**	9
Impairment of trade receivables	**6,827**	984

6. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 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.

	2018	2017
	HK$'000	HK$'000
Current:		
Charge for the year:		
The People's Republic of China (including Hong Kong)	**11,800**	16,948
Elsewhere	**503**	496
Under/(over)provision in prior years	**(2,524)**	1,569
Deferred	**11,013**	4,513
Total tax charge for the year	**20,792**	23,526

7. Dividends

	2018	2017
	HK$'000	HK$'000
Interim – HK2 cents (2017: HK2 cents) per ordinary share	**17,322**	17,322
Proposed:		
Final – HK2 cents (2017: HK4 cents) per ordinary share	**17,322**	34,644
Special – HK10 cents (2017: HK 4 cents) per ordinary share	**86,611**	34,644
	121,255	86,610

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

8. 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.

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2018 and 2017 in respect of a dilution as the impact of the share options had an anti-dilutive effect in the basic earnings per share amounts presented.

9. Trade receivables

	2018	2017
	HK$'000	HK$'000
Trade receivables	**383,896**	426,424
Impairment	**(20,710)**	(15,016)
	363,186	411,408

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 ageing analysis of trade receivables as at the end of the reporting period, based on the payment due date and net of loss allowance, is as follows:

	2018	2017
	HK$'000	HK$'000
Current to 30 days	**216,941**	246,074
31 to 60 days	**47,456**	50,877
61 to 90 days	**29,299**	36,206
91 to 120 days	**21,123**	21,098
Over 120 days	**48,367**	57,153
	363,186	411,408

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

	2018	2017
	HK$'000	HK$'000
At beginning of year	**15,016**	15,950
Impairment losses recognised	**6,827**	984
Amounts written off as uncollectible	**(1,104)**	(1,962)
Exchange realignment	**(29)**	44
At end of year	**20,710**	15,016

10. Trade and bills payables

An aging analysis of trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	2018	2017
	HK$'000	HK$'000
Current to 30 days	**60,857**	52,107
31 to 60 days	**7,172**	7,954
61 to 90 days	**2,163**	3,453
91 to 120 days	**7,133**	665
Over 120 days	**9,335**	2,404
	86,660	66,583

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Hong Kong's economic growth slowed in 2018, decelerating in the third and fourth quarters. The continuing US-China trade conflicts and US interest rate hikes have caused business sentiment to be more cautious, while the local stock and property markets underwent corrections and the retail environment also softened. Growth in total advertising spending in Hong Kong was 3% year-on-year in 2018, but the print media market continued to experience a decline in advertising revenue (according to admanGo). On top of this industry trend, a shortage in the supply of newsprint has led to an increase in average newsprint prices by 30% year-on-year. As a result of the negative impact of these factors on the Group's Media operations, the Group reported a decrease in consolidated revenue from approximately HK$1,511.9 million in 2017 to approximately HK$1,431.7 million in 2018, and a decrease in profit attributable to owners of the Company from approximately HK$41.3 million in 2017 to approximately HK$24.2 million in 2018.

Newspapers

Although the total newspaper advertising market dropped by 5% in 2018 versus 2017, the decline has slowed compared to the previous two years (according to admanGo). The drop in advertising revenue of both paid newspapers and free newspapers in the market has appeared to stabilise.

Headline Daily remained as the distinct number 1 free newspaper in Hong Kong. According to Hong Kong Audit Bureau of Circulations 2018Q3 report, Headline Daily's average weekday circulation was 719,281 copies, the highest amongst all newspapers in Hong Kong. Its average readership of 1,102,000 was also the largest among all newspapers in Hong Kong, almost doubling that of the next free newspaper competitor and 19% more than the net total of the other three Chinese free newspapers combined (according to Ipsos Media Atlas 2018 report). As the only print media in Hong Kong with daily readership of over one million, Headline Daily also continued to command the largest share of total newspaper advertising revenue in Hong Kong in 2018 (according to admanGo). In terms of advertising volume, Headline Daily was the market leader in major advertising categories including Property, Travel and Banking, and also recorded growth in the former two categories. Although overall advertising revenue was adversely affected by the weak market conditions in 2018, Headline Daily further diversified its advertiser base and continued to offer high value-added services to advertisers. Its high-quality editorial content was also well-recognised in the market. Headline Daily was ranked the top brand newspaper in Hong Kong by The University of Oxford's Reuters Institute's Digital News Report 2018, demonstrating its popularity and standing in the eyes of readers. Headline Finance paper continued to be Hong Kong's most widely-read finance newspaper, with its readership significantly ahead that of paid finance newspapers in the market (according to Ipsos Media Atlas 2018 report).

In 2018, paid newspapers in Hong Kong continued to face a challenging industry environment, including declines in terms of readership and advertising revenue. Sing Tao Daily was able to maintain relative stability in both readership and advertising revenue, by remaining committed to producing a high-quality newspaper for readers and advertisers. According to Ipsos Media Atlas 2018 report (Q1-Q42018 vs. Q42017-Q32018), Sing Tao Daily recorded a slight increase in readership. According to admanGo, Sing Tao Daily continued to be the market leader in Property and Retail advertisements in 2018. It also grew its advertising revenue in other categories including Travel and Pharmaceuticals. 2018 marked the 80th anniversary of Sing Tao Daily, which has developed alongside Hong Kong over the years, steadfastly serving its readers and advertisers. In the "Hong Kong News Awards 2018" organised by The Newspaper Society of Hong Kong, Sing Tao Daily gathered a total of 16 prizes including five champions, the best achievement among all newspapers. Despite a number of paid newspapers raising their prices in 2019, Sing Tao Daily has maintained its cover price at HK$8 while continuing to enhance its content, to bring the best benefit to readers and thereby also maximise value to advertisers. Smart Parents was again voted as the number 1 parenting magazine in Hong Kong by Marketing Magazine in 2018, and recorded a 2% growth in readership (according to Ipsos Media Atlas 2018 report (Q1-Q42018 vs. Q42017-Q32018)).

The Standard's performance in 2018 was relatively stable. In terms of advertising revenue, it managed to out-perform not only its English newspaper competitor but also other free newspapers (year-on-year percentage change, according to admanGo). It recorded a significant increase in Overseas Property which has become a major advertising category for The Standard. According to Ipsos Media Atlas 2018 report (Q1-Q42018 vs. Q42017-Q32018), The Standard recorded a slight increase in readership in 2018. Thanks to effective measures on cost saving and productivity gains, The Standard achieved an improvement in profitability in 2018.

The overseas operations of Sing Tao Daily continued to face a difficult industry environment in 2018 and as a result the performance remained subdued. Restructuring of the operations to increase efficiency and competitiveness continued, and the synergies from a more integrated and streamlined business operation, together with initiatives to open up new revenue sources, have generated positive impact to mitigate against the tough market conditions.

Magazines

Hong Kong's magazine market continued to experience a drop in advertising revenue in 2018, but the rate of decrease has eased compared with the previous two years (according to admanGo). Given the consolidation in the market, the Group's flagship magazine East Week continued to enhance its efforts to provide a high-quality infotainment magazine and has strengthened its market position, having achieved a 9% increase in readership in 2018, according to Ipsos Media Atlas 2018 report (Q1-Q42018 vs. Q42017-Q32018). At the same time, it performed considerably better than the market's average in terms of advertising revenue (according to admanGo), and achieved growth in categories such as Pharmaceuticals and Entertainment. East Week recorded a mild increase in total revenue in 2018 and, together with effective cost control and restructuring measures, was able to record an improvement in results. The Magazine unit's other titles have also realigned their business model and cost structure to remain competitive and thereby improved their financial performance in 2018.

Recruitment Media

The Group continued to occupy the leading position in Hong Kong's recruitment print media market in 2018. JobMarket increased its readership by 13% in 2018, according to Ipsos Media Atlas 2018 report (Q1-Q42018 vs. Q42017-Q32018); its readership of 356,000 also made it the weekly publication with the largest readership in the market. According to admanGo, JobMarket continued to be the recruitment publication with the largest share of advertising spending in 2018, with "Headline Hot Jobs" closely following in the second position. The latter saw a significant growth in revenue and profit, and increased its contribution to the unit's improved results in 2018.

New Media Business Development

The Group's new media business continued its development in 2018 and made progress in both revenue and profit generation. Under an "offline to online" strategy combining the print and digital platform of content and advertising, the Group's traditional and new media businesses complement each other to expand their presence and revenue potential.

In 2018, the Headline Daily "Jetso" app was revamped to offer a new user interface and enhanced with added functions such as a membership system for providing personalised information to users, location-specific promotions, a classified advertising section tailored for SMEs and online shops, and online commerce. The app has won "The Spark Awards 2018" bronze prize in "Best Retention Strategy" and "Best Use of Technology", with cumulative downloads of over 410,000 up to the end of 2018, and over 4.4 million participations in over 160 campaigns organised for partnered merchants during the year.

The video site "Headline POPNews" further enhanced its content and launched Hong Kong's first parenting video channel in conjunction with Smart Parents. Sing Tao Daily's website std.stheadline.com introduced a number of vertical digital platforms including "Sing Tao Motor" which provides local and international motor news and "ArtCan" which offers art information online, and revamped the "Sing Tao Property" website, all of which generated a steady increase in browsers and pageviews. The Group's overseas property online platform took advantage of the buoyant market and achieved growth in traffic and revenue.

Ohpama.com, the one-stop education and parenting media platform, recorded significant increase in both revenue and profit in 2018. Daily unique browsers and daily pageviews were on a steady uptrend. Its Facebook page likes also increased by 29% in 2018, with fans of over 200,000. Together with the Facebook page likes of 24parent.com (a section of Ohpama.com), total fans were over 490,000. Recognised as the number 1 digital parenting media in Hong Kong, Ohpama.com has built a strong reputation among readers and advertisers for its trustworthy content and interactive events on parenting, education and study, as well as creative and relevant marketing solutions for advertisers. In 2018, Ohpama.com won five awards in "The Spark Awards 2018" and was also awarded the "No.1 Parenting Digital Media of the Year" by Marketing Magazine's Media Report 2018.

The digital marketing company, Shimba Digital Limited, achieved satisfactory growth in revenue during the year, leveraging the digital network buy options that combine the Group's different advertising platforms to offer advertisers tailored solutions across a spectrum of channels. Shimba Digital Limited brought together the sales and marketing of the Group's diverse media platforms and facilitated the Group's new media business development.

Prospects

The Group considers the outlook for 2019 to be challenging. Global economic growth is expected to decelerate amidst various uncertainties. The trade tensions between the US and China and the doubtful outcome of Brexit may continue to cast a shadow over the economy, consumer sentiment and advertising demand, which will have an adverse impact on the Group's performance. Competition will likely remain intense in both the traditional and new media segments. On the other hand, newsprint prices appear to have peaked and their moderation will help to alleviate the pressure on the Group's results. At the same time, the Group will continue to implement cost control and efficiency optimisation initiatives across all operating units in order to maximise its profitability.

As a leader in the print media market, the Group will maintain its focus on creating high-quality content and providing high added-value advertising services to remain competitive in its core media businesses. The Group will also continue to improve its presence in the digital media domain by redeploying resources and enhancing its capabilities in generating new revenue models. We believe that our balanced "offline to online" approach will allow the Group to capture the best opportunities in the media industry's digital transformation.

Employees

As at 31 December 2018, the Group had approximately 1,491 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.

DIVIDENDS

The Board recommends a final dividend of HK2 cents (2017: HK4 cents) per ordinary share and a special dividend of HK10 cents (2017: HK4 cents) per ordinary share for the year. Together with the interim dividend of HK2 cents per ordinary share paid to shareholders on 21 September 2018, the total annual dividend will amount to HK14 cents (2017: HK10 cents) per ordinary share for the financial year. Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Thursday, 9 May 2019 (the "AGM"), the proposed final dividend and special dividend will be payable on Monday, 27 May 2019 to shareholders whose names appear on the register of members of the Company on Friday, 17 May 2019.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 6 May 2019 to Thursday, 9 May 2019, both days inclusive, during which no transfer of shares will be registered. To be eligible to attend and vote at the AGM, all properly completed share transfers documents accompanied by the relevant share certificates must be lodged for registration with the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 3 May 2019.

For the purpose of ascertaining the members' entitlement to the recommended final dividend and special dividend, the register of members of the Company will be closed on Thursday, 16 May 2019 and Friday, 17 May 2019, on which dates no transfer of shares will be registered. To qualify for the recommended final dividend and special dividend, all properly completed share transfers documents accompanied by the relevant share certificates must be lodged for registration with the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 15 May 2019.

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 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year 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 final results, interim results and annual budget of the Group.

According to the code provisions 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, except Ms. Ho Chiu King, Pansy Catilina and Mr. King Richard Yun Zing, were unable to attend the annual general meeting of the Company held in 2018 due to prior or unexpected business or overseas engagements.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") as the code for dealings in securities of the Company by the directors. The Company has made specific enquiries to all directors of the Company who confirmed that they had complied with the required standard set out in the Model Code 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 2018 as set out in the preliminary announcement have been agreed by the Group'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, risk management, internal control systems and financial reporting.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.singtaonewscorp.com. The 2018 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, 28 March 2019

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.