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SING TAO NEWS CORPORATION LIMITED

星島新聞集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1105)

PROFIT WARNING

This announcement is made by Sing Tao News Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board, it is anticipated that the Group will record a loss attributable to the Shareholders of approximately HK\$22 million for the year ended 31 December 2019 (the “**Year**”), mainly attributable to the reduction in newspaper advertising income due to the economic slowdown resulting from serious protests in Hong Kong in the second half of 2019 and global geopolitical uncertainties, and certain non-recurring expenditure items (the “**Profit Warning**”).

As the Company is still in the process of auditing the Group’s final results for the Year, the information contained in this announcement is a preliminary assessment by the management of the Company based on the management accounts of the Group and the information currently available. This preliminary assessment is not based on any financial figures and/or information which have been audited, verified or reviewed by the Company’s auditors or audit committee. As such, the final results for the Year may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the final results announcement of the Group for the Year (the “**2019 Final Results Announcement**”), which will be published in late March 2020.

Given the adverse business environment, the Company will implement various cost saving measures including salary reduction of varying percentages, with up to 25% salary reduction for executive directors and senior management.

Reference is also made to the Company’s announcement dated 5 November 2019 (the “**Rule 3.7 Announcement**”) in relation to the Possible Transaction (as defined in the Rule 3.7 Announcement). With the publication of the Rule 3.7 Announcement, the Company is required to comply with the relevant requirements under the Code on Takeovers and Mergers (the “**Takeovers Code**”) issued by the Securities and Futures Commission. The Profit Warning constitutes a profit forecast under the Takeovers Code and must be reported on by the Company’s financial adviser and its auditors or reporting accountants in accordance with Rule 10.4 of the Takeovers Code. Since this announcement is required to be made pursuant to Rule 13.09 of the Listing Rules and the above Inside Information Provisions, which require the Company to disclose any inside information as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The Shareholders and potential investors should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors are advised to exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Possible Transaction and when dealing in the securities of the Company.

Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 of the Takeovers Code, the reports from the Company's auditors and financial adviser on the Profit Warning are required to be included in the next document to be sent to the Shareholders in connection with the Possible Transaction, which, if the Possible Transaction materialises, is expected to be the composite offer and response document (the "**Composite Document**"). It is expected that the 2019 Final Results Announcement will be published prior to the despatch of the Composite Document. If this is the case, the requirement under Rule 10 of the Takeovers Code to report on the Profit Warning will be superseded by the publication of the 2019 Final Results Announcement. Otherwise, the Profit Warning shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the Composite Document to be sent to the Shareholders.

WARNINGS

There is no assurance that the Possible Transaction will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of the Takeovers Code. The Possible Transaction may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

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

Hong Kong, 21 February 2020

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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification purpose only*