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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)

(1) ANNOUNCEMENT

**PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE
IN RELATION TO TERMINATION OF DISCUSSIONS ON
THE POSSIBLE TRANSACTION;**

**(2) INSIDE INFORMATION IN RELATION TO
THE SALE AND PURCHASE AGREEMENT IN RESPECT OF
CERTAIN SHARES HELD BY CONTROLLING SHAREHOLDER; AND
(3) RESUMPTION OF TRADING**

This announcement is made by Sing Tao News Corporation Limited ("**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 3.7 of the Code on Takeovers and Mergers ("**Takeovers Code**") issued by the Securities and Futures Commission, Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

(1) TERMINATION OF DISCUSSIONS ON THE POSSIBLE TRANSACTION

Reference is made to the announcements of the Company dated 5 November 2019, 5 December 2019, 3 January 2020, 4 February 2020, 4 March 2020, 3 April 2020, 4 May 2020, 5 June 2020, 3 July 2020, 3 August 2020, 3 September 2020, 17 September 2020, 22 October 2020, 23 November 2020, 24 December 2020 and 26 January 2021 respectively (collectively as "**Announcements**"), in relation to, amongst others, preliminary discussion between Mr. Ho, an executive director of the Company, the chairman of the Board and a controlling shareholder of the Company, and the previous independent potential purchaser ("**Previous Potential Purchaser**") regarding, amongst others, the Possible Transaction. Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Announcements.

The Board announces that it was informed by Mr. Ho that on 28 January 2021, the discussions and negotiations between Mr. Ho and the Previous Potential Purchaser are terminated. No formal or legally binding agreement has been entered into between Mr. Ho and the Previous Potential Purchaser in respect of the sale and purchase of Shares. For the purpose of the Takeovers Code, the offer period ended on 28 January 2021.

(2) SALE AND PURCHASE AGREEMENT IN RESPECT OF CERTAIN SHARES HELD BY THE CONTROLLING SHAREHOLDER

The Agreement

On 28 January 2021 (after trading hours), the Board was informed by Mr. Ho that Mr. Ho and Luckman Trading Limited (a company wholly-owned by Mr. Ho) ("**Vendor**") entered into a sale and purchase agreement ("**Agreement**") with Vast Resources International Limited (宏源國際有限公司) (a company incorporated in the British Virgin Islands with limited liability) ("**Purchaser**") pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 246,552,045 Shares ("**Sale Shares**"), representing approximately 28% of the entire issued share capital of the Company as at the date of this announcement, at HK\$1.50 per Sale Share (representing an approximately 64.84% premium over the closing price of the Shares on 28 January 2021) and at a total consideration of HK\$369,828,067.50 ("**Transaction**"). As at the date of this announcement, Mr. Ho, through the Vendor, indirectly holds 276,197,500 Shares, representing approximately 31.37% of the entire issued share capital of the Company.

Based on the information made available to the Company by the Purchaser, the sole shareholder of the Purchaser is Ms. Kwok Hiu Ting ("**Ms. Kwok**"). To the best of the knowledge and belief of the Board, as of the date of this announcement, the Purchaser and its ultimate beneficial owner(s) are independent of and are not connected persons (within the meaning of the Listing Rules) of the Company.

Completion of the Transaction ("**Completion**") is conditional upon the following ("**Conditions Precedent**"):

- (i) all necessary approvals and consents, including those from the Committee on Foreign Investment in the United States ("**CFIUS**"), having been obtained. If the relevant CFIUS approvals shall not have been obtained on or before the 45th calendar day after the notice to CFIUS has been submitted and received by CFIUS, the Company having disposed of its business and assets held by the Group in the United States on such terms acceptable to the Purchaser without incurring any loss to any member of the Group;
- (ii) the Purchaser being satisfied with its due diligence on the Group;
- (iii) the warranties given by the Vendor remaining true and accurate in all material respects and not misleading in any material respect as of the date of Completion ("**Completion Date**") by reference to the facts and circumstances subsisting as at the Completion Date and the Vendor and Mr. Ho having performed all its/his obligations under the Agreement which are required to be performed by it/him at or prior to the Completion Date;
- (iv) the shares of the Company remaining listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") as of Completion, save and except for any trading halt or suspension of trading for not more than four business days arising out of or in connection with the Agreement;
- (v) the Purchaser not being subject to the obligation to make a general offer of the Shares (other than the Sale Shares) as a result of the Completion under the Takeovers Code;
- (vi) there having occurred since the date of the Agreement no material adverse effect with respect of any member of the Group; and

- (vii) no applicable law, proceeding, or order which could reasonably be expected to prohibit or restrict the consummation of the transactions contemplated under the Agreement having been promulgated, put into effect, commenced, granted or issued.

In respect of Condition Precedent (i) above, if the Company disposes of its business and assets held by the Group in the United States, the Company shall comply with the applicable requirements under the Listing Rules and make further announcement(s), if required.

The Purchaser may, in its absolute discretion, waive any of the Conditions Precedent at any time by specific notice in writing to such effect to the Vendor. Notwithstanding the above, the Purchaser has confirmed that it will not waive Condition Precedent (v) above. A ruling from the Securities and Futures Commission is proposed to be sought under Note 7 to Rule 26.1 of the Takeovers Code. If Condition Precedent (i) above shall not have been fulfilled or waived by 5:00 p.m. on 28 July 2021 or such later time or date as the parties may agree in writing, or if all the Conditions Precedent above are not fulfilled or waived on the Completion Date, or if the Purchaser shall exercise its right to rescind the Agreement under the relevant provisions therein, the Agreement shall become null and void and of no effect, except for certain necessary clauses which shall remain in full force and effect, subject to any liability of any of the parties in respect of any antecedent breach of the Agreement.

Effect on shareholding structure of the Company

As at the date of this announcement, the Purchaser and parties acting in concert with it do not hold any Shares. Upon Completion, the Purchaser will hold 246,552,045 Shares, representing approximately 28% of the entire issued share capital of the Company, assuming that there being no other changes to the issued share capital of the Company. Before Completion, Mr. Ho, through the Vendor, shall dispose (on-market and/or off-market) of the remaining 29,645,455 Shares held by the Vendor ("**Other Shares**"), representing approximately 3.37% of the entire issued share capital of the Company, to third parties independent of Mr. Ho, the Vendor, Ms. Kwok, the Purchaser and parties acting in concert with any of them.

Set out below is a summary of the shareholding structure of the Company as at the date of this announcement and upon Completion, assuming there being no changes to the entire issued share capital of the Company:

	As at the date of this announcement		Upon Completion	
	<i>No. of Shares</i>	<i>Approximate % ^{Note 1}</i>	<i>No. of Shares</i>	<i>Approximate % ^{Note 1}</i>
Mr. Ho ^{Note 2}	276,197,500	31.37	-	-
The Purchaser	-	-	246,552,045	28.00
Other Directors ^{Note 3}	30,872,500	3.51	30,872,500	3.51
Public Shareholders	573,473,017	65.13	603,118,472	68.49
Total	880,543,017	100.00	880,543,017	100.00

Notes:

1. All percentages stated in this announcement are approximations and certain amounts and percentage figures included have been subject to rounding adjustments. Accordingly, figures shown as totals in the above table may not be an arithmetic aggregation of the figures preceding them.
2. Mr. Ho holds: (i) 276,197,500 Shares indirectly through the Vendor (a company wholly-owned by him); and (ii) 4,230,000 share options granted under the share option scheme of the Company adopted on 23 May 2012 (“**Share Options**”).
3. The interests in the Company held by other Directors comprise (i) Mr. Ho Kent Ching Tak, who holds 6,000,000 Share Options; (ii) Mr. Jia Hongping, who hold 2,000,000 Shares and 4,500,000 Share Options; (iii) Mr. Lau Chung Man, Louis, who holds 3,000,000 Shares and 6,000,000 Share Options; (iv) Mr. Lo Wing Hung, who holds 18,000,000 Shares and 1,500,000 Share Options; and (v) Mr. Siu Sai Wo, who holds 7,872,500 Shares and 8,900,000 Share Options. Each of these Directors is not a party acting in concert with the Purchaser and/or Ms. Kwok and did not participate in any discussion and/or negotiation with Ms. Kwok and/or the Purchaser in respect of the Transaction.

(3) RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange had been halted with effect from 9:00 a.m. on 29 January 2021 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 1:00 p.m. on 3 February 2021.

WARNINGS

Completion is subject to the fulfilment or waiver (as the case may be) of the Conditions Precedent. Therefore, the Transaction may or may not proceed. Shareholders and potential investors 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, 3 February 2021

As at the date of this announcement, the Board comprises: (1) executive directors: Mr. HO Tso 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*