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 2020

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 2020 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Notes	**2020** **HK$'000**	2019 HK$'000
REVENUE	4	**825,747**	1,261,779
Cost of sales		**(554,268)**	(794,656)
Gross profit		**271,479**	467,123
Other income and gains, net	4	**75,236**	18,579
Distribution expenses		**(159,295)**	(213,569)
Administrative expenses		**(234,710)**	(275,180)
Other expenses, net		**(34,653)**	(11,971)
Finance cost	5	**(1,294)**	(2,418)
Share of profits and losses of:			
Joint ventures		**(7,797)**	(3,204)
Associates		**3,540**	3,873
LOSS BEFORE TAX	6	**(87,494)**	(16,767)

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)
Year ended 31 December 2020

	Notes	**2020** **HK$'000**	2019 HK$'000
Income tax credit/(expense)	7	**6,585**	(5,909)
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(80,909)**	(22,676)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY – (HK cents)	9		
Basic		**(9.20)**	(2.61)
Diluted		**(9.20)**	(2.61)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 HK$'000	2019 HK$'000
LOSS FOR THE YEAR	**(80,909)**	(22,676)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**7,015**	2,725
Reclassification adjustment for a foreign operation deregistered during the year	**(346)**	(1,677)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**6,669**	1,048
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Gains on property revaluation	**18,886**	11,787
Income tax effect	**2,843**	(2,057)
	21,729	9,730
Share of other comprehensive income of a joint venture	**23,109**	-
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**44,838**	9,730
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**51,507**	10,778
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**(29,402)**	(11,898)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	**2020**	2019
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,168,046**	1,186,554
Investment properties		**119,707**	119,122
Other intangible assets		**100**	100
Investments in joint ventures		**72,750**	56,661
Investments in associates		**23,449**	20,572
Equity investments designated at fair value through other comprehensive income		**47**	47
Financial assets at fair value through profit or loss		**10,051**	10,651
Deferred tax assets		**3,006**	3,179
Other deposits paid		**4,291**	75,903
Total non-current assets		**1,401,447**	1,472,789
CURRENT ASSETS			
Inventories		**18,127**	35,574
Trade receivables	10	**193,180**	285,736
Prepayments, other receivables and other assets		**28,408**	35,335
Financial assets at fair value through profit or loss		**153,149**	76,439
Tax recoverable		**7,414**	5,050
Cash and cash equivalents		**499,982**	479,840
Total current assets		**900,260**	917,974
CURRENT LIABILITIES			
Trade and bills payables	11	**33,420**	37,579
Other payables and accruals		**147,815**	183,028
Lease liabilities		**21,883**	29,328
Tax payable		**169**	1,577
Total current liabilities		**203,287**	251,512
NET CURRENT ASSETS		**696,973**	666,462
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,098,420**	2,139,251
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**113,390**	120,188
Lease liabilities		**6,803**	15,715
Total non-current liabilities		**120,193**	135,903
Net assets		**1,978,227**	2,003,348

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2020

	2020	2019
	HK$'000	HK$'000
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**176,109**	175,325
Reserves	**1,802,118**	1,828,023
Total equity	**1,978,227**	2,003,348

NOTES TO THE 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 ("HKICPA"), 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.

<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 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, 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 ability 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 *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions* (early adopted)
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

(a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

2. Changes in accounting policies and disclosures (continued)

(b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("RFR"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

(d) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

During the year ended 31 December 2020, certain monthly lease payments for the leases of the Group's furniture, fixtures, equipment and others have been reduced by the lessors upon reducing the scale of production as a result of the pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the pandemic during the year ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of HK$2,452,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2020.

2. Changes in accounting policies and disclosures (continued)

(e) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

3. Operating segment information

During the year, 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 and Australia, and sales of respective content of such publications in The People's Republic of China (including Hong Kong). On 5 February 2020, an indirect wholly-owned subsidiary of the Group incorporated in Australia, operating the Group's media business in Australia, was in a creditors' voluntary liquidation, as further set out in the Company's announcement dated 26 February 2020. Since then, the Group has ceased its operation in Australia.

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 (2019: Nil).

4. Revenue, other income and gains, net

An analysis of revenue is as follows:

	2020 HK$'000	2019 HK$'000
Revenue from contracts with customers	**819,090**	1,255,152
Revenue from other sources		
Gross rental income from operating leases	**6,657**	6,627
	825,747	1,261,779

<u>Revenue from contracts with customers</u>

(i) Disaggregated revenue information

	2020 HK$'000	2019 HK$'000
Types of goods or services		
Advertising income	**584,040**	964,714
Circulation income	**147,980**	178,456
Content sales and news service income	**24,112**	27,639
Radio broadcasting advertising income	**23,556**	26,114
Project management service income	**26,889**	34,844
Service income	**4,059**	10,745
Others	**8,454**	12,640
Total revenue from contracts with customers	**819,090**	1,255,152

	2020 HK$'000	2019 HK$'000
Geographical markets		
The People's Republic of China (including Hong Kong)	**630,521**	971,806
North America	**181,194**	255,840
Australia and Europe	**7,375**	27,506
Total revenue from contracts with customers	**819,090**	1,255,152
Timing of revenue recognition		
At a point in time and total revenue from contracts with customers	**819,090**	1,255,152

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

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2020	2019
	HK$'000	HK$'000
Circulation income	**21,704**	20,573

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Advertisements on newspapers, magazines and radio broadcasting
The performance obligation is satisfied upon issuance of the advertisements on the Group's publications and upon broadcasting of advertisements and payment is generally due within one month, extending up to three months for major customers.

Circulation of newspapers, magazines and other publications
The performance obligation is satisfied upon delivery of these publications and payment is generally due within one month, extending up to three months for major customers.

Content sales and news services
The performance obligation is satisfied upon transmission or delivery of contents and payment is generally due with one month, extending up to three months for major customers.

Project management services
The performance obligation is satisfied when the event or activity takes place, and payment is generally due within one month, extending up to three months for major customers.

Other services
The performance obligation is satisfied upon the transmission or delivery of the final products and payment is generally due with one month, extending up to three months for major customers.

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

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

	2020 **HK$'000**	2019 HK$'000
Other income		
Bank interest income	**3,352**	5,372
Investment income	**3,484**	3,955
Dividend income from equity investments	**263**	190
Government grants from Employment Support Scheme	**51,110**	-
Others	**4,923**	5,826
	63,132	15,343
Gains/(losses), net		
Fair value gains/(losses), net on:		
Financial assets at fair value through profit or loss	**5,042**	(832)
Derivative financial instruments – transactions not qualifying as hedges	**(126)**	(397)
Investment properties	**108**	(2,959)
Gain/(loss) on disposal of items of property, plant and equipment	**(1,209)**	2,029
Gain on deregistration of a subsidiary	**346**	1,677
Gain on lease modifications	**63**	-
Reversal of impairment loss on a loan to an associate	**-**	1,057
Reversal of long outstanding payables	**-**	6,006
Foreign exchange differences, net	**7,880**	(3,345)
	12,104	3,236
Total other income and gains, net	**75,236**	18,579

5. Finance cost

	2020	2019
	HK$'000	HK$'000
Interest on lease liabilities	**1,294**	2,418

6. Loss before tax

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

	2020	2019
	HK$'000	HK$'000
Cost of inventories sold	**84,581**	222,508
Depreciation of property, plant and equipment	**81,801**	85,466
Depreciation of right-of-use assets	**31,003**	32,075
	112,804	117,541
Impairment of trade receivables (note 10)	**7,176**	8,198
Impairment of items of property, plant and equipment (including right-of-use assets)	**23,324**	5,561
Write-off of items of property, plant and equipment	**1,226**	-
Government grants from Employment Support Scheme	**(51,110)**	-
COVID-19-related rent concessions from lessors	**(2,452)**	-

7. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The first HK$2,000,000 (2019: HK$2,000,000) of the assessable profits of a subsidiary are taxed at 8.25% (2019: 8.25%) and the remaining assessable profits are taxed at 16.5% (2019: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2020	2019
	HK$'000	HK$'000
Current:		
Charge for the year:		
The People's Republic of China (including Hong Kong)	**197**	4,315
Elsewhere	**851**	106
Under/(over) provision in prior years	**(3,251)**	232
Deferred	**(4,382)**	1,256
Total tax charge/(credit) for the year	**(6,585)**	5,909

8. Dividends

	2020	2019
	HK$'000	HK$'000
Interim – Nil (2019: HK3.5 cents per ordinary share)	**-**	30,314
Proposed final – HK2.0 cents per ordinary share (2019: Nil)	**17,611**	-
	17,611	30,314

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

9. Loss per share attributable to ordinary equity holders of the Company

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company of HK$80,909,000 (2019: HK$22,676,000) and the weighted average number of ordinary shares of 879,276,101 (2019: 867,353,412) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2020 and 2019 in respect of dilution as the impact of the share options had an anti-dilution effect in the basic loss per share amounts presented.

10. Trade receivables

	2020	2019
	HK$'000	HK$'000
Trade receivables	**210,456**	298,403
Impairment	**(17,276)**	(12,667)
	193,180	285,736

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 payment due date and net of loss allowance, is as follows:

	2020	2019
	HK$'000	HK$'000
Current to 30 days	**126,935**	172,900
31 to 60 days	**26,519**	41,703
61 to 90 days	**16,010**	30,100
91 to 120 days	**8,299**	15,053
Over 120 days	**15,417**	25,980
	193,180	285,736

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

	2020	2019
	HK$'000	HK$'000
At beginning of year	**12,667**	20,710
Impairment losses recognised (note 6)	**7,176**	8,198
Amounts written off as uncollectible	**(2,534)**	(16,238)
Exchange realignment	**(33)**	(3)
At end of year	**17,276**	12,667

11. Trade and bills payables

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

	2020	2019
	HK$'000	HK$'000
Current to 30 days	**17,165**	21,814
31 to 60 days	**7,536**	8,666
61 to 90 days	**4,333**	5,368
91 to 120 days	**2,805**	419
Over 120 days	**1,581**	1,312
	33,420	37,579

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

12. Events after the reporting period

On 28 January 2021, Mr. Ho Tsu Kwok, Charles ("Mr. Ho"), an executive director of the Company, the chairman of the Board and a controlling shareholder of the Company, and Luckman Trading Limited ("Luckman"), a company incorporated in the British Virgin Islands and wholly-owned by Mr. Ho, entered into a sale and purchase agreement (the "Agreement") with an independent purchaser (the "Purchaser"), whereby Luckman conditionally agreed to sell and the Purchaser conditionally agreed to purchase, 246,552,045 shares of the Company (the "Sale Share(s)"), representing approximately 28% of the entire issued share capital of the Company as at 28 January 2021, at HK$1.50 per Sale Share and a total consideration of approximately HK$369,828,000 (the "Transaction"). Completion of the Transaction is subject to the satisfaction of the conditions precedent under the Agreement. Upon completion of the Transaction, the Purchaser will hold 246,552,045 shares of the Company; before completion of the Transaction, Mr. Ho, through Luckman, shall dispose of the remaining 29,645,455 shares of the Company, to third parties independent of Mr. Ho, Luckman, the Purchaser together with its sole shareholder and parties acting in concert with any of them. There was no financial impact to the Group in the current year. Please refer to the Company's announcement dated 3 February 2021 for details.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The COVID-19 pandemic has inflicted severe negative impact on local as well as global economic activities since early 2020, plunging the Hong Kong economy into a deep recession. The social distancing requirements, partial lockdowns and travel restrictions entailed by the pandemic, having been in place for most of 2020, brought many business and consumption activities to a near standstill. Hong Kong's real GDP contracted by a record 6.1% in 2020, private consumption expenditure posted the steepest ever annual decline of 10.1% and the unemployment rate surged to a near 16-year high of 5.9%. The local advertising market suffered a severe setback and, according to admanGo, total advertising spending in Hong Kong fell by an unprecedented 18% in 2020, with all media segments reporting significant declines and only the mobile segment showing growth. Amidst such an austere business environment, the results of the Group reported a decrease in consolidated revenue from approximately HK$1,261.8 million in 2019 to approximately HK$825.7 million in 2020, and consolidated loss attributable to owners of the Company increased from approximately HK$22.7 million in 2019 to approximately HK$80.9 million in 2020. To mitigate the impact of the advertising revenue decline, the Group's media operations exercised prudent control over costs of production, while the lower newsprint prices during the year, as well as the support received from the Hong Kong government's "Employment Support Scheme" under the "Anti-epidemic Fund", also cushioned the blow.

Newspapers

According to admanGo, the total newspaper advertising market suffered a 42% decline in 2020, the worst seen in the records, as the economic disruptions caused by the COVID-19 pandemic took a heavy toll on advertising activities. After enduring the worst market conditions in February to May, newspaper advertising saw a short-lived respite in June and July, which was subsequently arrested by a resurgence in COVID-19 infections in August and again in November. Overall, the newspaper industry was dragged into an "ice age" by the COVID-19 crisis and remained more or less subdued throughout the year, consequently both the Group's free newspaper and paid newspaper businesses were gravely affected.

Headline Daily continued to be Hong Kong's number 1 free newspaper with a strong foothold, staying as the industry leader in terms of circulation, readership and advertising. According to Ipsos Media Atlas 2020Q3 report (covering the second and third quarters of 2020), Headline Daily's average daily readership of 1,012,000 was the highest amongst all newspapers in Hong Kong. Reaching 80% of total Chinese free newspaper readers, Headline Daily commanded a readership that was 40% more than the net total of the other two Chinese free newspapers combined, and was Hong Kong's only newspaper with a readership of over one million. Headline Daily's circulation also exceeded that of competitors by a large margin, given its extensive distribution network in residential estates as well as in MTR stations. Although Headline Daily's advertising revenue was adversely affected by the falloff in the free newspaper market, Headline Daily increased its share of free newspapers' advertising spending in 2020 and continued to occupy the largest portion of the market (according to admanGo). In response to the changed needs of the market brought about by COVID-19, Headline Daily stepped up its digital efforts to provide more added value to readers and advertisers; for example, the features section "Headlife" was enriched to offer diverse information on living and trends delivered both offline and online. In addition, in August Headline Daily launched the "Headline Facebook Live" online platform, inviting celebrities and experts to discuss a myriad of popular topics to engage viewers with diversified information. During the year, over 100 live programmes were aired and attracted in excess of 4 million views. As the free newspaper most-recognised by advertisers and readers alike, Headline Daily was again ranked by The University of Oxford's Reuters Institute's Digital News Report 2020 as the top brand newspaper in Hong Kong. In addition, Headline Finance paper recorded an increase of 37% in readership (according to Ipsos Media Atlas 2020Q3 report, covering the second and third quarters of 2020), leading significantly among finance newspapers in Hong Kong.

The negative impact of COVID-19 pandemic also wreaked havoc on advertising revenue in the paid newspaper market in Hong Kong in 2020, and Sing Tao Daily was not immune to the damage. However, as a newspaper dedicated to providing objective reporting and comprehensive high-quality content, Sing Tao Daily maintained its circulation revenue as well as readership; at 253,000, Sing Tao Daily's readership was the highest among niche/middle-class newspapers in Hong Kong, according to Ipsos Media Atlas 2020Q3 report (covering the second and third quarters of 2020). As COVID-19 disrupted everyday life in Hong Kong, Sing Tao Daily placed additional focus on the changed needs of readers to better serve them in adapting to the "new normal" and form ever-closer bonds with them. Apart from providing factual news to help readers stay abreast of happenings in the world, Sing Tao Daily also offered pertinent content for the stay home anti-epidemic fight, such as the free Sunday cookbooks, as well as free trial promotions for the Sing Tao Daily electronic paper. The Sing Tao Education website was enhanced to support students' online learning, such as offering exercise sheets in different academic subjects for free download, while the School Papers (S-file and Sunny Campus) launched new electronic versions for subscription. In addition, Smart Parents was again voted as the number 1 parenting magazine in Hong Kong by Marketing Magazine in 2020, for the eighth consecutive year; it also launched a digital membership programme offering redemption via the all-new Smart Parents mobile app.

The English-language newspaper market suffered like the rest of the industry in 2020. Despite the harsh operating environment, The Standard continued to offer high quality content to serve readers both online and offline, and recorded a mild increase in readership according to Ipsos Media Atlas 2020Q3 report (covering the second and third quarters of 2020). The Standard augmented its website and social media, and achieved significant growth in traffic in 2020, namely, 89% increase in average monthly visitors, 62% increase in average monthly pageviews and 39% increase in Facebook page likes. Although it recorded a drop in advertising revenue in 2020 along with the market (according to admanGo), given its relatively agile cost structure, The Standard was able to minimise the impact of the revenue reduction and maintained profitability through further savings on production costs and other expenses.

Although the overseas operations of Sing Tao Daily got off to a promising start of the year riding on the economic growth in the US, starting in March the extensive lockdown in the overseas markets required by COVID-19 dealt a severe blow to economic activities and thereby the business and financial performance of the overseas operations. In reaction to the immense difficulty posed by the COVID-19 pandemic, the overseas operations implemented cost saving measures as well as introduced initiatives including a new mobile application (Sing Tao US App) and the Sing Tao Daily US electronic newspaper. Both were launched in March and aimed at offering an alternative platform for readers to access news and information while serving the new needs of advertisers under the pandemic. Working closely with their local communities in fighting the virus, the overseas operations organised donations of anti-epidemic materials and provided special advertising packages to help ride out the difficult times.

Magazines

According to admanGo, the magazine advertising market in Hong Kong recorded a 37% decline in 2020. The Group's flagship magazine East Week was one of the more robust titles within the magazine segment and its advertising drop was less than market. To cope with the tough business conditions and in response to the social distancing requirements under the COVID-19 pandemic, East Week adopted new ways of conducting its business activities, such as videoed presentation of its award events. Its special book project "Guarding our City" was well received in the market and generated additional revenue. East Week's live video series on a variety of topics ranging from current affairs to entertainment were popular among viewers, while its website saw a 36% increase in average monthly visitors and a 72% increase in average monthly pageviews in 2020.

Recruitment Media

With Hong Kong's unemployment rate hitting a record high, total job classified advertising revenue saw a major across-the-board dip in 2020, according to admanGo. Nevertheless, the Group remained as the market leader in Hong Kong's recruitment print media industry, with JobMarket holding the largest share of advertising revenue among print recruitment titles. JobMarket was also the top recruitment publication in terms of readership according to Ipsos Media Atlas report 2020Q3 (covering the second and third quarters of 2020). In view of the social distancing measures necessitated by COVID-19, JobMarket turned to organising virtual recruitment and education fairs and strengthening its digital content and advertising efforts to satisfy the market's demands. In 2020, it achieved a 91% increase in average monthly visitors and a 65% increase in average monthly pageviews, while its Facebook page likes also went up by 27%.

New Media Business Development

With the measures for the anti-epidemic fight and new modes of communication brought about by COVID-19 resulting in increased use of online media, the Group's digital platforms saw general growth in traffic in 2020. As a mass-market news site, Headline Daily's website (hd.stheadline.com) achieved increases of 27% and 56%, respectively, in average monthly visitors and average monthly pageviews in 2020. Sing Tao Daily's website (std.stheadline.com) recorded increases of 34% in average monthly pageviews and 30% in its Facebook page likes. The Sing Tao Education website focused on serving the new habits and needs of students and schools under the COVID-19 pandemic, and achieved increases of 90% in average monthly visitors and 68% in average monthly pageviews in 2020.

Ohpama.com, the one-stop education and parenting media platform, has held up its business performance relatively well and managed to improve its profitability through cost savings and focusing on higher margin businesses. It continued to expand its client base and increased its advertising revenue from different industry categories. Its website was revamped in May 2020, and average monthly visitors and monthly pageviews recorded increases of 42% and 32%, respectively, in 2020. Social media followers also increased, with total Facebook fans (Ohpama.com and 24parent.com) of around 610,000 as of December 2020. In addition, the Ohpama mobile app has accumulated downloads of around 49,000 as of December 2020. As the number 1 parenting digital media in Hong Kong, Ohpama.com reacted swiftly to the changes in the market brought about by the COVID-19 pandemic. Apart from shifting its client events to online formats and launching an online fair platform to help clients promote their products and services, it started a series of educational and practical live video programmes to cater for "Learn at Home" students and "Work from Home" parents. According to Facebook Organic Figures February – April 2020, the video series recorded 9.5 million audience reach and 1.4 million total video views, which ranked No.1 among local parenting media platforms. In 2020, Ohpama.com was awarded the "No.1 Parenting Digital Media of the Year" by Marketing Magazine's Media Report 2020, the third time in three consecutive years. It also demonstrated media excellence in "The Spark Awards 2020" by winning four honours, namely, “Best CX/UX Strategy”, “Best Audience Retention Strategy”, “Best Media Campaign - Experiential” and “Best Media Campaign - Out-of-Home”.

The Headline Daily “Jetso” app continued to develop as an all-in-one digital platform to attract new-generation users and bridge advertisers to their target customers. As at the end of December 2020, cumulative downloads were around 520,000 while total registered members exceeded 100,000. Responding to the changed consumer spending pattern brought about by the online shopping trend and the COVID-19 pandemic, “Jetso” app launched the marketing campaign “New Era of Online Shopping @Jetso App” in May, aimed at promoting local e-shops via print and online media channels. In addition, it launched its Facebook live broadcast programme “Jetso App LIVE Shop” in September to promote online commerce through real-time content sharing and interactive participation.

The digital marketing company, Shimba Digital Limited, stepped up its efforts on bringing together the Group’s cross-media platforms to offer advertisers a one-stop advertising network, as well as extending the network to third-party digital platforms giving advertisers yet a greater digital reach. For example, it has partnered with the MTR Corporation Limited for selling advertising solutions on the latter’s mobile application. In addition, Shimba Digital Limited acts as a sales agency for NewsocHub, the digital platform jointly formed by members of The Newspaper Society of Hong Kong to provide a one-stop cross-media online advertising network.

Prospects

The global economy took a big hit from the COVID-19 pandemic in 2020. Looking ahead, on the premise that the pandemic would gradually abate with the implementation of mass vaccination campaigns, economies around the world may stage a rebound in 2021 but there would be a high degree of uncertainty and unevenness. For Hong Kong, the breadth and strength of a recovery would be subject to uncertainties associated not only with the pandemic but also China-US relations and geopolitical tensions.

Although the pandemic has brought about a severe downturn in the local economy and, with it, extraordinary challenges to the business of the media industry, the demand for information has instead increased and the role of reliable media has been rendered all the more important. The Group will adhere to its strategy of providing factual, objective and high quality news and information, to help keep readers updated regarding the evolving situation. In addition, the social distancing and other anti-epidemic measures necessitated by COVID-19 have stimulated the use of online media and further accelerated the digital transformation of the media industry. Accordingly, the Group will continue to be flexible and responsive in building on its new media capabilities to meet the different customer preferences during and after the pandemic. The Group has increased its efforts on developing its digital platforms which are considered to be crucial for its long term business growth.

In the face of the harsh business environment, the Group has taken a cautious and prudent approach in managing costs, reallocating resources and maintaining financial resilience. Management will continue to closely monitor the economic and market situation under COVID-19 and exercise stringent cost control where appropriate. While remaining focused on our core strengths in providing high-quality content and cost-effective advertising platforms to serve the needs of our readers and advertisers, we shall address the challenges with confidence and be prepared to capture the opportunities in the post-pandemic recovery and rebound.

EMPLOYEES

As at 31 December 2020, the Group had approximately 1,258 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.

OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD

Potential Disposal of Shares

Reference is made to the Company's announcements dated 1 November 2019, 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, 26 January 2021 and 3 February 2021 respectively (the "Previous Announcements"). As disclosed in the Previous Announcements, Mr. Ho, an executive director of the Company, the chairman of the Board and a controlling shareholder of the Company, was in preliminary discussion with an independent potential purchaser (the "Potential Purchaser") regarding, amongst others, a possible sale of an interest in the Company (the "Possible Transaction"). The discussion between Mr. Ho and the Potential Purchaser in relation to the Possible Transaction was terminated on 28 January 2021. Mr. Ho and the Potential Purchaser have not entered into any formal or legally binding agreement in respect of the Possible Transaction. Please refer to the Previous Announcements for further details of the Possible Transaction.

Liquidation of Subsidiary in Australia

On 5 February 2020, Sing Tao Newspapers Pty. Limited, an indirect wholly-owned subsidiary of the Company and incorporated in Australia, was in a creditors' voluntary liquidation, and the joint and several liquidators were appointed on the same date. Please refer to the Company's announcement dated 26 February 2020 for details.

Placing of Shares by Controlling Shareholder

On 16 July 2020, a placing agreement between Luckman, a company wholly-owned by Mr. Ho, and an independent placing agent (the "Placing Agent") was completed. Pursuant to the placing agreement, the Placing Agent agreed to place and Luckman agreed to sell 150,000,000 shares of the Company (the "Placing Share(s)") to certain independent investors at a price of HK$1.50 per Placing Share. As such, Mr. Ho's total indirect shareholding in the Company held through Luckman reduced from 426,197,500 shares to 276,197,500 shares or from approximately 48.50% to 31.43% of the entire issued share capital of the Company as at 16 July 2020. Details of the placing of shares by Luckman was set out in the Company's announcement dated 16 July 2020.

Renewal of Continuing Connected Transactions

On 11 December 2020, the Group and Bastille Post Company Limited (together with its subsidiaries and associates, the "BP Group") entered into the Group Master Services Agreement dated 11 December 2020 (the "Renewal Group Master Services Agreement") in relation to the provision of various services by the Group to the BP Group, and the BP Group Master Services Agreement dated 11 December 2020 (the "Renewed BP Group Master Services Agreement") in relation to the provision of various services by the BP Group to the Group, both for a period of three years commencing from 19 December 2020 and expiring on 18 December 2023. An announcement of the Company was made on 11 December 2020.

Since Mr. Lo Wing Hung, an executive director of the Company, indirectly holds 70% interest in Bastille Post Company Limited, the BP Group is therefore a connected person of the Company as defined under Chapter 14A of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and the transactions contemplated under the Renewed Group Master Services Agreement and the Renewed BP Group Master Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Disposal of Shares by Controlling Shareholder

Details of Mr. Ho and Luckman entered into a sale and purchase agreement with the Purchaser on 28 January 2021, in relation to the conditional transaction of the Sale Shares, are set out in note 12 to the consolidated financial statements in this results announcement and disclosed in the Company's announcement dated 3 February 2021.

DIVIDENDS

The Board recommends a final dividend of HK2 cents per ordinary share (2019: Nil) for the year. No interim dividend was declared for the year (2019: HK3.5 cents per ordinary share). Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Tuesday, 29 June 2021 (the "2021 AGM"), the proposed final dividend will be payable on Thursday, 15 July 2021 to shareholders whose names appear on the register of members of the Company on Wednesday, 7 July 2021.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members' eligibility to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Thursday, 24 June 2021 to Tuesday, 29 June 2021, both days inclusive, during which no transfer of shares will be registered. To be eligible to attend and vote at the 2021 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 23 June 2021.

For the purpose of ascertaining the members' entitlement to the recommended final dividend, the register of members of the Company will be closed from Tuesday, 6 July 2021 to Wednesday, 7 July 2021, on which dates no transfer of shares will be registered. To qualify for the recommended final 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 5 July 2021.

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 Listing Rules throughout the year with deviations from certain code provisions of the CG Code specified and explained below.

According to the code provisions A.6.7 and E.1.2, the Chairman of the Board and all independent non-executive directors shall attend the annual general meeting of the Company. The Chairman of the Board and an independent non-executive director, Mr. Lee Cho Jat, were unable to attend the annual general meeting of the Company held in 2020 due to prior or unexpected business 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 (the "Model Code") contained in Appendix 10 to the Listing Rules as the code for dealings in securities of the Company by the directors. The Company has made specific enquiries to all directors 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 profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2020 as set out in this 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 this 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 2020 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, 30 March 2021

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.