

*For Immediate Release*

## **SING TAO NEWS CORPORATION LIMITED**

### **REPORTS INTERIM RESULTS 2016**

(29<sup>th</sup> August, 2016, Hong Kong) In its Interim Results announced today for the six months ended 30<sup>th</sup> June, 2016 (the "Period"), Sing Tao News Corporation Limited (the "Company") reported consolidated revenue of approximately HK\$798.8 million, as compared with approximately HK\$920.1 million for the six months ended 30<sup>th</sup> June, 2015 ("Previous Period"), and consolidated profit attributable to owners of the Company of approximately HK\$4.1 million, as compared with approximately HK\$32.7 million for the Previous Period. Basic earnings per share dropped from HK3.86 cents for the Previous Period to HK0.47 cents for the Period. The Board of the Company has declared an interim dividend of HK2.0 cents per share for the Period (Previous Period: HK2.0 cents per share).

The Group's core Media operations recorded segment revenue of approximately HK\$793.9 million for the Period, as compared with approximately HK\$915.6 million for the Previous Period, while Media segment profit dropped from approximately HK\$50.1 million to approximately HK\$2.0 million. Commenting on the results the Company's Chairman Mr. Ho Tsu Kwok, Charles said, "The overall local advertising market in the first half of 2016 dropped by 13% year-on-year, the worst performance since the start of admanGo's media monitoring data in 2000, and almost all media sectors recorded a decline including online and mobile media. The Group's Media operations were adversely affected by this negative environment. However, considering the Group's healthy financial position, the Board has recommended to maintain the interim dividend at last year's level, and will review this according to market circumstances."

Headline Daily continued to be Hong Kong's number 1 free newspaper. With an average weekday circulation of over 851,000 copies (according to Hong Kong Audit Bureau of Circulations 2016Q1 report), Headline Daily is the newspaper in Hong Kong with the highest circulation, and its readership (according to Ipsos Media Atlas 2015H2 report) was 25% more than the net total of the other three Chinese free newspapers combined. This

renders Headline Daily the most cost-effective print advertising medium reaching a mass audience. Although the advertising revenue of Headline Daily was unfavorably affected by the sluggish advertising market in the first half of 2016, Headline Daily continued to broaden its advertiser base and has adopted more proactive strategies to better serve its advertising clients, while aligning its editorial content in support thereof.

Sing Tao Daily's first half results were under pressure from the sub-par market conditions which dampened consumer sentiment and advertisers' spending. It remained committed to providing a premium newspaper to serve its readers and advertisers, and has strengthened its content in a range of areas including Art & Culture, Racing, Sports, Travel and Education. At the same time, to maximize competitiveness Sing Tao Daily continued to optimize operating efficiency through workflow restructuring and resources sharing under a "central kitchen" concept.

Performance of The Standard during the Period was adversely affected by the weakened advertising market which also took its toll on English-language newspapers. On the other hand, the overseas operations of Sing Tao Daily achieved an improvement in results following efforts to mitigate the difficult market conditions and the challenging industry trends.

The magazine advertising market in Hong Kong continued to see a downturn in the first half of 2016. According to admanGo, advertising revenue declined by 31% year-on-year. The Group's Magazine unit had started to implement measures, in view of the austere market environment since last year, including realigning its cost structure, reengineering its work processes and consolidating its resources to strengthen the competitiveness of its products. As a result, the Magazine unit managed to improve its operating results for the Period. In addition, the Group's recruitment publications continued to occupy the leading position in the recruitment print media market, with JobMarket increasing its market share despite a drop in advertising revenue among all print recruitment publications.

On the Group's new media business development, Mr Ho commented, "As the trend in the industry towards digital media becomes more mature, the Group continues to develop its

new media business focusing on areas where it can leverage on its existing strengths and where there are synergies with existing businesses.” In terms of prospects, Mr Ho continued, “Management is cautious about the prospects for the second half of 2016 given the continued uncertainties in the global economy. In view of the ambiguous market outlook and the evolving media industry trend, the Group will continue to focus on optimizing its operating efficiency and rationalizing its cost structure to reinforce the competitiveness of its core media businesses. Under the presently testing industry environment, the Group’s standing and competitive advantage in the traditional media market have become more evident, and its diversified media portfolio and vast reader base have become widely recognized in the market, placing the Group’s businesses well to benefit when economic conditions improve.”

### **About Sing Tao News Corporation Limited**

Sing Tao News Corporation Limited is a media corporation listed on the main board of Hong Kong Stock Exchange (Stock Code: 1105). Its principal activities comprise Media operations including Newspapers, Magazines, Recruitment Media and other media-related businesses.

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