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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021 AND ADOPTION OF THE NEW BYE-LAWS

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 2021 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
REVENUE	4	834,788	825,747
Cost of sales		<u>(585,668)</u>	<u>(554,268)</u>
Gross profit		249,120	271,479
Other income and gains, net	4	22,586	75,236
Distribution expenses		(156,229)	(159,295)
Administrative expenses		(252,613)	(234,710)
Other expenses, net		2,116	(34,653)
Finance cost	5	(976)	(1,294)
Share of profits and losses of:			
Joint ventures		(4,680)	(7,797)
Associates		1,598	3,540
LOSS BEFORE TAX	6	(139,078)	(87,494)

* For identification purpose only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

Year ended 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Income tax (expense)/credit	7	<u>(734)</u>	<u>6,585</u>
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(139,812)</u>	<u>(80,909)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY — (HK cents)			
	9		
Basic		<u>(15.88)</u>	<u>(9.20)</u>
Diluted		<u>(15.88)</u>	<u>(9.20)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2021

	2021 HK\$'000	2020 HK\$'000
LOSS FOR THE YEAR	<u>(139,812)</u>	<u>(80,909)</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations (with nil tax effect)	8,414	7,015
Reclassification adjustment for a foreign operation deregistered during the year (with nil tax effect)	<u>-</u>	<u>(346)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>8,414</u>	<u>6,669</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Gains on property revaluation	14,544	18,886
Income tax effect	<u>(3,300)</u>	<u>2,843</u>
	11,244	21,729
Share of other comprehensive income of a joint venture (with nil tax effect)	<u>790</u>	<u>23,109</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>12,034</u>	<u>44,838</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>20,448</u>	<u>51,507</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>(119,364)</u>	<u>(29,402)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,123,727	1,168,046
Investment properties		124,742	119,707
Other intangible assets		100	100
Investments in joint ventures		70,113	72,750
Investments in associates		25,497	23,449
Equity investments designated at fair value through other comprehensive income		47	47
Financial assets at fair value through profit or loss		11,334	10,051
Deferred tax assets		4,571	3,006
Other deposits paid		5,413	4,291
Total non-current assets		<u>1,365,544</u>	<u>1,401,447</u>
CURRENT ASSETS			
Inventories		37,910	18,127
Trade receivables	10	180,878	193,180
Prepayments, other receivables and other assets		36,824	28,408
Financial assets at fair value through profit or loss		2,038	153,149
Tax recoverable		3,890	7,414
Cash and cash equivalents		526,947	499,982
Total current assets		<u>788,487</u>	<u>900,260</u>
CURRENT LIABILITIES			
Trade and bills payables	11	42,035	33,420
Other payables and accruals		144,597	147,815
Lease liabilities		7,613	21,883
Tax payable		221	169
Total current liabilities		<u>194,466</u>	<u>203,287</u>
NET CURRENT ASSETS		<u>594,021</u>	<u>696,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,959,565</u>	<u>2,098,420</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		113,070	113,390
Lease liabilities		5,243	6,803
Total non-current liabilities		<u>118,313</u>	<u>120,193</u>
Net assets		<u>1,841,252</u>	<u>1,978,227</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2021

	2021	2020
	HK\$'000	HK\$'000
EQUITY		
Equity attributable to owners of the Company		
Issued capital	176,109	176,109
Reserves	1,665,143	1,802,118
	<hr/>	<hr/>
Total equity	1,841,252	1,978,227
	<hr/> <hr/>	<hr/> <hr/>

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.

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 2021. 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 following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phrase 2</i>
Amendment to HKFRS 16	<i>COVID-19-Related Rent Concessions beyond 30 June 21 (early adopted)</i>

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect. The Group had no interest-bearing bank and other borrowings as at 31 December 2021 and the amendments do not have any significant impact on the Group's financial statements.

2. Changes in accounting policies and disclosures (continued)

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the 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 by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021. However, the Group has not received COVID-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

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 and Europe, and sales of respective content of such publications in The People's Republic of China (including Hong Kong).

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 (2020: Nil).

4. Revenue, other income and gains, net

An analysis of revenue is as follows:

	2021 HK\$'000	2020 HK\$'000
<i>Revenue from contracts with customers</i>	828,792	819,090
<i>Revenue from other sources</i>		
Gross rental income from operating leases	<u>5,996</u>	<u>6,657</u>
	<u>834,788</u>	<u>825,747</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

	2021 HK\$'000	2020 HK\$'000
Types of goods or services		
Advertising income	578,327	584,040
Circulation income	152,647	147,980
Content sales and news service income	16,630	24,112
Radio broadcasting advertising income	22,862	23,556
Project management service income	32,637	26,889
Service income	8,353	4,059
Others	<u>17,336</u>	<u>8,454</u>
Total revenue from contracts with customers	<u>828,792</u>	<u>819,090</u>

	2021 HK\$'000	2020 HK\$'000
Geographical markets		
The People's Republic of China (including Hong Kong)	648,962	630,521
North America	175,406	181,194
Australia and Europe	<u>4,424</u>	<u>7,375</u>
Total revenue from contracts with customers	<u>828,792</u>	<u>819,090</u>

Timing of revenue recognition

At a point in time and total revenue from contracts with customers	<u>828,792</u>	<u>819,090</u>
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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:

	2021	2020
	HK\$'000	HK\$'000
Circulation income	<u>17,788</u>	<u>21,704</u>

(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:

	2021 HK\$'000	2020 HK\$'000
<u>Other income</u>		
Bank interest income	854	3,352
Investment income	3,791	3,484
Dividend income from equity investments	271	263
Government grants from Employment Support Scheme	-	51,110
Others	5,054	4,923
	<u>9,970</u>	<u>63,132</u>
<u>Gains/(losses), net</u>		
Fair value gains/(losses), net on:		
Financial assets at fair value through profit or loss	5,980	5,042
Derivative financial instruments – transactions not qualifying as hedges	(16)	(126)
Investment properties	4,716	108
Gain/(loss) on disposal of items of property, plant and equipment	613	(1,209)
Gain on deregistration of a subsidiary	-	346
Gain on lease modifications	359	63
Foreign exchange differences, net	964	7,880
	<u>12,616</u>	<u>12,104</u>
	<u>22,586</u>	<u>75,236</u>

5. Finance cost

	2021	2020
	HK\$'000	HK\$'000
Interest on lease liabilities	976	1,294

6. Loss before tax

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

	2021	2020
	HK\$'000	HK\$'000
Cost of inventories sold	96,447	84,581
Depreciation of property, plant and equipment	71,971	81,801
Depreciation of right-of-use assets	22,132	31,003
	94,103	112,804
(Reversal of impairment) / impairment of trade receivables (note 10)	(2,310)	7,176
Impairment of items of property, plant and equipment (including right-of-use assets)	-	23,324
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% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The first HK\$2,000,000 (2020: HK\$2,000,000) of the assessable profits of a subsidiary are taxed at 8.25% (2020: 8.25%) and the remaining assessable profits are taxed at 16.5% (2020: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2021	2020
	HK\$'000	HK\$'000
Current:		
Charge for the year:		
The People's Republic of China (including Hong Kong)	502	197
Elsewhere	-	851
Over provision in prior years	(276)	(3,251)
Deferred	508	(4,382)
	<hr/>	<hr/>
Total tax charge/(credit) for the year	734	(6,585)

8. Dividends

	2021	2020
	HK\$'000	HK\$'000
Proposed final – Nil (2020: HK 2.0 cents per ordinary share)	-	17,611
	<hr/> <hr/>	<hr/> <hr/>

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\$139,812,000 (2020: HK\$80,909,000) and the weighted average number of ordinary shares of 880,543,017 (2020: 879,276,101) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2021 and 2020 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

	2021 HK\$'000	2020 HK\$'000
Trade receivables	192,760	210,456
Impairment	(11,882)	(17,276)
	<u>180,878</u>	<u>193,180</u>

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:

	2021 HK\$'000	2020 HK\$'000
Current to 30 days	126,373	126,935
31 to 60 days	23,701	26,519
61 to 90 days	14,078	16,010
91 to 120 days	8,021	8,299
Over 120 days	8,705	15,417
	<u>180,878</u>	<u>193,180</u>

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

	2021 HK\$'000	2020 HK\$'000
At beginning of year	17,276	12,667
(Reversal of impairment)/impairment losses recognised (note 6)	(2,310)	7,176
Amounts written off as uncollectible	(3,044)	(2,534)
Exchange realignment	(40)	(33)
At end of year	<u>11,882</u>	<u>17,276</u>

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:

	2021	2020
	HK\$'000	HK\$'000
Current to 30 days	28,519	17,165
31 to 60 days	7,914	7,536
61 to 90 days	3,064	4,333
91 to 120 days	775	2,805
Over 120 days	1,763	1,581
	<u>42,035</u>	<u>33,420</u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

More than two years have passed since the initial outbreak of the Coronavirus (COVID-19) pandemic. Intermittent resurgences and the emergence of variant strains have hit the global economy. Governments around the world have kept up corresponding measures to control the outbreaks. Hong Kong's local economy rebounded slightly as the fourth wave of the outbreak was under control in mid-2021, which drove up overall consumption sentiments and in turn a revival of the advertising market. However, in early 2022, the outbreak of the fifth wave once again dealt a heavy blow to local economic and social activities with the local government implementing the strictest ever social-distancing rules. Hong Kong's advertising market was once again affected.

Hong Kong's economy experienced a short-term recovery during 2021 and expanded by 6.4%, as the local outbreak was temporarily under control in the second half of 2021. Private consumption expenditure increased by 5.7% compared with 2020. However, the economic recovery was uneven, with its size and overall economic activities below the level prior to the COVID-19 pandemic. Widespread speculations about the easing of border restrictions boosted consumer confidence, which provided key support in the recovery of the economy in Hong Kong. In the summer of 2021, the distribution of electronic consumption vouchers further boosted the consumption sentiment. Many of the Group's advertising clients seized the opportunity to increase publicity. According to admanGo, the recorded spending in advertisement in Hong Kong increased by 30% year on year (YoY) in 2021, totaling \$29.6 billion, indicating that various industries have rebounded from the pandemic and redirected their resources into advertisements. Spending on advertisements from all major media outlets recorded a notable YoY growth, whilst spending on mobile advertisements recorded a 50% YoY growth for the same period.

In this buoyant business environment, the Group reported an increase in consolidated revenue from approximately HK\$825.7 million in 2020 to approximately HK\$834.8 million in 2021. This was primarily due to the gradual rebound of consumer sentiment as they adapted to life in the pandemic, which in turn drove the advertising spending of brand owners. However, the consolidated loss attributable to the owners of the Company increased from approximately HK\$80.9 million in 2020 to approximately HK\$139.8 million in 2021. The related loss is mainly attributable to the one-off government grants from the Employment Support Scheme in 2020, which was not available in 2021, and the increase in investment spending on new business developments during 2021. Record high global prices of paper also contributed to the loss as soaring freight rates and other unforeseeable factors continued to plague the pulp and paper industry.

New Media Business Development

With the appointment of the new Board and management team in June 2021, the Group is focused on the redevelopment of its new media business and cultural industry investment. Under the strategy of combining traditional media, new media, and the industry the Group intends to expand its business opportunities and seek new impetus for profit growth. To ensure a focused and systematic approach to new media development, a New Media Business Division has been created to generate more online content, invest in innovative technologies such as artificial intelligence (AI) and big data analysis, and provide consumers with a superior retail experience. With consumers placing a greater emphasis on both convenience and safety, they may be spending an increased amount of time at home. Thus, demand for more high-quality information, morale boosters, and online entertainment surges. Digital media will play an even greater role in this environment.

The new “Sing Tao Headline” App, launched on 3 January 2022, is the first all-in-one Mobile App in Hong Kong. It is a comprehensive platform that combines lifestyle, news, videos, sharing functions and practical gadgets for everyday life. The new App will provide a brand-new look to readers with AI machine learning algorithms to predict the users’ reading habits and give relevant suggestions to the readers. Users can browse trending topics, special videos and a variety of live programmes anywhere, anytime, as well as use a range of service tools free of charge and set up their personalised content channels at their convenience. By downloading the App and registering as users, readers can try out new personalised functions, including live broadcast notifications, saving and sharing their favourite content, in addition to following the accounts of their favourite shops and influencers through the Sing Tao media platform by setting up their preference. “Sing Tao Headline” App not only serves general readers but also serves our business partners and advertisers, forming an ecosystem. To strengthen communication between people and to connect with society. It has had received a considerable number of downloads after launching.

The COVID-19 pandemic has presented unprecedented challenges for all businesses and has caused severe disruptions to the economy and society as a whole. At the same time, as the economy slowed and consumer lifestyle changed, industries needed to adapt to the new normal of the pandemic era and speed up their digital transformations. In keeping with the evolution of the current epoch, the Group actively sought change and continuous innovation by advancing its new media development during the year.

Adhering to an “offline to online” strategy combining the content and advertising of the print and digital platforms, the Group’s traditional and new media businesses complement each other to expand their presence and revenue potential.

Headline Daily delivers lifestyle information through its “Headlife” cross-media platform in response to the consumers’ shift towards online media. Its “Headline Facebook Live” channel offers live discussions on popular topics, featuring celebrities and experts. Moreover, the “Headline Finance” website has strengthened financial information and exclusive professional analysis, allowing investors to grasp first-hand financial information. There has also been significant growth in social media followers for Headline Daily. Together with its website (hd.stheadline.com) and mobile App, Headline Daily has achieved an average of over 4 million monthly views.

For Sing Tao Daily, with the launch of digital network buy options that combine different advertising platforms of the Group, advertisers are offered tailored solutions across a spectrum of channels that best meet their advertising objectives. 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 revamped the “Sing Tao Property” website, all of which generated a steady increase in visitors and pageviews. The Education section continues to support students by providing a variety of multimedia content including live programs hosted by technology and education experts. The Horse Racing section has launched an online video channel offering interactive chat with the programs’ hosts. The Property Browser section has introduced a WhatsApp business platform to provide an additional online tool for house-searching. “Smart Parents” has accelerated its online development and redesigned its web page to provide an all-new online browsing experience; it further enhanced its content and launched Hong Kong’s first parenting video channel in conjunction with the video site “Headline POPNews”.

The Standard effectively promoted the sales of bundled advertising that combine digital platforms and print media. In enriching its website and social media, The Standard has launched the “Student Globetrotters” video series, which shares the experiences of Hong Kong students studying abroad. At the same time, through sponsorship and cooperation with overseas educational institutions, several overseas online education exhibitions and seminars were held. The Group’s overseas property online platform took advantage of the buoyant market and achieved growth in traffic and revenue. Facebook live broadcasts were produced with international schools and educational institutions to wide acclaim. According to Adobe Analytics, the number of monthly unique visitors and pageviews of the digital version of The Standard in 2021 has recorded a 70% and 64% YoY increase respectively.

Ohpama.com, the one-stop education and parenting media platform, provides parenting, education, and family life information to Hong Kong parents. At the same time, it offers a total marketing solution including online-offline events and activities, content marketing, social media marketing and video production to help advertisers promote their products and services. As the top parenting social media in Hong Kong, Ohpama.com and 24parent.com have had over 700,000 Facebook and Instagram followers combined as of December 2021.

Newspapers

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’s newspaper business comprises the renowned Chinese international newspaper Sing Tao Daily, Hong Kong’s No.1 free newspaper Headline Daily, the widely-circulated English free newspaper The Standard, and the overseas business of Sing Tao Daily.

Headline Daily, with its extensive distribution network, remains firmly the No. 1 free newspaper in Hong Kong in terms of circulation, readership, and advertisements. According to the latest Ipsos Media Atlas report (2021Q3), Headline Daily continues to be Hong Kong’s only newspaper with over one million readers. Although Headline Daily continued to command the largest share of the newspaper advertising market in 2021 per admanGo, total free newspapers’ advertising spending dropped by 5% YoY while Headline Daily dropped slightly by 2%. The slow recovery of the free newspaper advertisement market may be partly attributed to the subdued tourism sector, as cross-border travel remained at a standstill. In order to alleviate the negative impact of the border closure and other social restrictions on advertising revenue, Headline Daily is actively expanding its non-consumption goods advertising categories, including local property advertisements, as well as enhancing online-offline joint advertising sales efforts.

Sing Tao Daily remains dedicated to providing objective reporting and high-quality content. Sing Tao Daily placed additional focus on the changing needs of readers and form ever-closer bonds with them. Apart from providing factual news to help readers stay abreast of happenings in the world, content related to daily life was also covered. Sing Tao Daily is proactive in strengthening its content, particularly in finance and technology, as well as upgrading its printing quality. It has received positive responses from readers. According to admanGo, advertisement revenue for paid newspapers recorded a 6% YoY increase in 2021. Sing Tao Daily outperformed the market trend. It rebounded in a variety of advertising categories, including Property & Real Estate, Food, and Education & Training. Its readership grew to 266,000, according to the Ipsos Media Atlas 2021Q3 report. On 1 January 2021, Sing Tao Daily increased its cover price to \$9 per copy. Following the price increase, circulation sales volume was maintained while circulation revenue achieved satisfactory growth; and the cover price was once again adjusted to \$10 per copy on 1 January 2022.

The English-language newspaper market recovered in 2021. According to admanGo, the market's advertising spending in The Standard has recorded a remarkable 13% growth during the year. According to the Ipsos Media Atlas 2021Q3 report, The Standard's readership continued its steady upward trend to reach 151,000. The Student Standard and Junior Standard were fully transformed into electronic versions in September 2021. Their number of subscriptions has already exceeded the sum of the physical and electronic versions of the previous school year. The transformation has reduced printing costs and delivered significant benefits to the gross profit margin.

The overseas operations of Sing Tao Daily reported a slight decline in revenue and profit in 2021. This was mainly due to the sporadic outbreaks as the emergence of new variants of the COVID-19 virus impacted the consumption and advertisement markets. Although advertisement revenue increased in the second half of the year, it has not reached the pre-pandemic level.

Magazines

According to admanGo, the magazine advertising market in Hong Kong recorded a 14% decline in 2021. The Group's flagship magazine, East Week, outperformed the market and managed to achieve modest revenue growth. It became the weekly magazine with the largest advertising market share. In terms of readership, per Ipsos Media Atlas 2021Q3 report, East Week achieved the highest of all surveyed weekly magazines. To further strengthen its digital presence, East Week's online platform continues to collaborate with "Headline Facebook Live" in offering a variety of live programs on diverse and interesting topics, spanning from health, investment to culture. East Week's live video series ranging from current affairs to entertainment is popular among viewers.

Recruitment Media

In 2021, the labour market improved amidst the gradual economic recovery and subsiding local epidemic. According to admanGo, the number of printed recruitment advertisement pages in the Group's recruitment titles, comprising JobMarket, HeadlineJobs, and The StandardJobs, represent the largest market share of print recruitment media and recorded a YoY increase of 44%, 30%, and 39% respectively. Local recruitment publications' job advertising revenue rallied by 38%, and JobMarket's performance was in line with the market. In the Ipsos Media Atlas 2021Q3 report, JobMarket continues to rank first in readership amongst all recruiting magazines, with over 324,000 readers weekly in the third quarter of 2021. Furthermore, the number of Facebook followers on JobMarket and HeadlineJobs reached over 164,000 and 27,000, respectively.

Prospects

Currently, Hong Kong is in the midst of a rapidly spreading outbreak of variant strains, casting shadows on the local economy and business environment, which had experienced a small upturn in 2021, dragging down the pace of economic recovery. The Group envisages that the consumer sentiment in Hong Kong will remain uncertain amid the uncertainty brought about by the outbreak. Under the strategy of combining traditional media and new media, the Group will continue to identify and seize market opportunities and strive for innovation to promote the development of the industry. The Group will strive to capture any opportunities that might arise with the 25th anniversary of the establishment of the Hong Kong Special Administrative Region (HKSAR) to generate additional advertising income, in addition to those already captured at the Beijing 2022 Olympics Winter Games held earlier this year.

In addition to investment in talent, the Group will continue to strengthen the content quality of print media and new media to provide better information and life services to the public. In keeping with the times, the Group will continue to develop new technologies, in order to progress with society

The Board of Directors will remain focused on the Group's business development and would like to sincerely thank all shareholders, readers, partners and employees for their continuous support and contributions to the Group.

EMPLOYEES

As at 31 December 2021, the Group had approximately 1,266 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 do not recommend the payment of final dividend (2020: HK2 cents per ordinary share) for the year. No interim dividend was declared for the year (2020: Nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members' eligibility to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 13 May 2022 (the "2022 AGM"), the register of members of the Company will be closed from Tuesday, 10 May 2022 to Friday, 13 May 2022, both days inclusive, during which no transfer of shares will be registered. To be eligible to attend and vote at the 2022 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 Friday, 6 May 2022.

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 (which has been renumbered as code provision C.5.1 with effect from 1 January 2022) 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.

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 BAKER TILLY HONG KONG LIMITED

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 2021 as set out in this announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited ("Baker Tilly"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Baker Tilly 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 Baker Tilly 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.

ADOPTION OF THE NEW BYE-LAWS

The Company proposes to amend its existing bye-laws (the "Existing Bye-laws") to, among others, (i) comply with the Core Shareholder Protection Standards as set out in Appendix 3 of the Listing Rules; and (ii) incorporate housekeeping amendments (collectively, the "Proposed Amendments").

In view of the Proposed Amendments, the Board proposes to adopt the amended and restated bye-laws of the Company (the "New Bye-laws"), which shall consolidate all the Proposed Amendments and all previous amendments made, in substitution for and to the exclusion of the Existing Bye-laws.

The Proposed Amendments and the adoption of the New Bye-laws are subject to the approval of the shareholders of the Company by way of a special resolution to be proposed at the 2022 AGM.

Details of the Proposed Amendments and the New Bye-laws will be set out in the circular to be despatched to the shareholders of the Company in due course together with a notice of the annual general meeting.

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 2021 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
Kwok Ying Shing
Chairman

Hong Kong, 30 March 2022

As at the date of this announcement, the Board comprises: (1) executive directors: Mr. KWOK Ying Shing (Chairman), Ms. KWOK Hiu Ting (Vice-chairman and Co-Chief Executive Officer), Mr. CAI Jin (Co-Chief Executive Officer) and Mr. ZHENG Wei (Chief Financial Officer); and (2) independent non-executive directors: Mr. WU Ting Yuk, Anthony, Mr. CHOI Karson Ka Tsan and Ms. HAN Yonghong.