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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 2022

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 2022 together with the comparative figures for the previous year as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
<b>REVENUE</b>	4	<b>815,008</b>	834,788
Cost of sales		<u>(607,761)</u>	<u>(585,668)</u>
Gross profit		<b>207,247</b>	249,120
Other income and gains, net	4	<b>48,581</b>	22,586
Distribution expenses		<b>(143,400)</b>	(156,229)
Administrative expenses		<b>(226,317)</b>	(252,613)
Other (expenses)/income, net		<b>(2,257)</b>	2,116
Finance cost	5	<b>(1,242)</b>	(976)
Share of profits and losses of:			
Joint ventures		<b>(11,005)</b>	(4,680)
Associates		<b>1,505</b>	1,598
<b>LOSS BEFORE TAX</b>	6	<b>(126,888)</b>	(139,078)

\* For identification purpose only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** (continued)

Year ended 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Income tax expense	7	<u>(11,896)</u>	<u>(734)</u>
<b>LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b><u>(138,784)</u></b>	<b><u>(139,812)</u></b>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY — (HK cents)</b>	9		
Basic		<u>(15.76)</u>	<u>(15.88)</u>
Diluted		<u>(15.76)</u>	<u>(15.88)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	2022 HK\$'000	2021 HK\$'000
<b>LOSS FOR THE YEAR</b>	<b><u>(138,784)</u></b>	<b><u>(139,812)</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations (with nil tax effect)	<u>(4,845)</u>	<u>8,414</u>
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	<u>(4,845)</u>	<u>8,414</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Gains on property revaluation	27,534	14,544
Income tax effect	<u>(4,916)</u>	<u>(3,300)</u>
	22,618	11,244
Share of other comprehensive income of a joint venture (with nil tax effect)	<u>7,545</u>	<u>790</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>30,163</u>	<u>12,034</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b><u>25,318</u></b>	<b><u>20,448</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b><u>(113,466)</u></b>	<b><u>(119,364)</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,125,825	1,123,727
Investment properties		104,849	124,742
Other intangible assets		100	100
Investments in joint ventures		15,033	70,113
Investments in associates		23,962	25,497
Equity investments designated at fair value through other comprehensive income		47	47
Financial assets at fair value through profit or loss		10,969	11,334
Deferred tax assets		4,571	4,571
Other deposits paid		3,544	5,413
Total non-current assets		<u>1,288,900</u>	<u>1,365,544</u>
<b>CURRENT ASSETS</b>			
Inventories		37,065	37,910
Trade receivables	10	190,631	180,878
Prepayments, other receivables and other assets		27,205	36,824
Financial assets at fair value through profit or loss		1,846	2,038
Tax recoverable		1,385	3,890
Cash and cash equivalents		472,454	526,947
		<u>730,586</u>	<u>788,487</u>
Asset classified as held for sale		35,157	-
Total current assets		<u>765,743</u>	<u>788,487</u>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	29,185	42,035
Other payables and accruals		130,284	144,597
Lease liabilities		16,214	7,613
Tax payable		282	221
Total current liabilities		<u>175,965</u>	<u>194,466</u>
<b>NET CURRENT ASSETS</b>		<u>589,778</u>	<u>594,021</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,878,678</u>	<u>1,959,565</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (continued)

31 December 2022

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<b>127,401</b>	113,070
Lease liabilities	<b>23,491</b>	5,243
Total non-current liabilities	<u><b>150,892</b></u>	<u>118,313</u>
Net assets	<u><b>1,727,786</b></u>	<u>1,841,252</u>
<b>EQUITY</b>		
Equity attributable to owners of the Company		
Issued capital	<b>176,109</b>	176,109
Reserves	<u><b>1,551,677</b></u>	<u>1,665,143</u>
Total equity	<u><b>1,727,786</b></u>	<u>1,841,252</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. Basis of preparation

These consolidated 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, asset classified as held for sale, certain derivative financial instruments, equity investments and debt securities, and financial assets at fair value which have been measured at fair value. These consolidated 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 2022. 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 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41</i>

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

## 2. Changes in accounting policies and disclosures (continued)

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 Inventories, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) Annual Improvements to HKFRSs 2018-2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:
- HKFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or 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 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 (2021: Nil).



#### 4. Revenue, other income and gains, net

An analysis of revenue is as follows:

	2022 HK\$'000	2021 HK\$'000
<i>Revenue from contracts with customers</i>	<b>807,910</b>	828,792
<i>Revenue from other sources</i>		
Gross rental income from operating leases	<b>7,098</b>	5,996
	<b>815,008</b>	834,788

##### Revenue from contracts with customers

###### (i) Disaggregated revenue information

	2022 HK\$'000	2021 HK\$'000
<b>Types of goods or services</b>		
Advertising income	<b>545,603</b>	578,327
Circulation income	<b>153,235</b>	152,647
Content sales and news service income	<b>11,719</b>	16,630
Project management service income	<b>29,184</b>	32,637
Printing income	<b>32,858</b>	8,624
Radio broadcasting advertising income	<b>22,721</b>	22,862
Service income	<b>6,046</b>	8,353
Others	<b>6,544</b>	8,712
Total revenue from contracts with customers	<b>807,910</b>	828,792

	2022 HK\$'000	2021 HK\$'000
<b>Geographical markets</b>		
The People's Republic of China (including Hong Kong)	<b>623,089</b>	648,962
North America	<b>180,635</b>	175,406
Europe	<b>4,186</b>	4,424
Total revenue from contracts with customers	<b>807,910</b>	828,792

##### **Timing of revenue recognition**

At a point in time and total revenue from contracts with customers

<b>807,910</b>	828,792
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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:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Circulation income	<b><u>19,848</u></b>	<u>17,788</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.

*Advertisements on internet and applications (apps)*

The performance obligation is satisfied upon display of the advertisements in the internet and the target impression rate or click rate set out in the respective contract is satisfied. 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.

*Printing of publications*

The performance obligation is satisfied upon printing and delivery of the publications and payment is generally due within one month 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:

	2022 HK\$'000	2021 HK\$'000
<u>Other income</u>		
Bank interest income	5,128	854
Investment income	19	3,791
Dividend income from equity investments	115	271
Government grants from		
Employment Support Scheme (Note)	23,035	-
Gain on disposal of publishing titles	3,000	-
Others	11,066	5,054
	<u>42,363</u>	<u>9,970</u>
<u>Gains/(losses), net</u>		
Fair value (losses)/gains, net on:		
Financial assets at fair value through profit or loss	(491)	5,980
Derivative financial instruments – transactions not qualifying as hedges	(221)	(16)
Investment properties and asset clarified as held for sale	16,928	4,716
Gain on disposal of items of property, plant and equipment	107	613
Gain on lease modifications	21	359
Foreign exchange differences, net	(10,126)	964
	<u>6,218</u>	<u>12,616</u>
	<u>48,581</u>	<u>22,586</u>

Note: During the current year, the Group recognised government grants of approximately HK\$23,035,000 (2021: Nil) in respect of COVID-19 related subsidies relates to Employment Support Scheme provided by the Hong Kong Government.

## 5. Finance cost

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Interest on lease liabilities	<u><b>1,242</b></u>	<u>976</u>

## 6. Loss before tax

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

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Cost of inventories sold	<b>97,221</b>	96,447
Depreciation of property, plant and equipment	<b>66,584</b>	71,971
Depreciation of right-of-use assets	<u><b>18,421</b></u>	<u>22,132</u>
	<u><b>85,005</b></u>	<u>94,103</u>
Impairment loss/(reversal of impairment) of trade receivables (note 10)	<b>2,160</b>	(2,310)
Write-off of trade receivables	-	32
Write-off of other receivables	<b>250</b>	-
Foreign exchange differences, net	<u><b>10,126</b></u>	<u>(964)</u>

## 7. Income tax

Hong Kong Profits Tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered Profit Tax rate regime. The first HK\$2,000,000 (2021: HK\$2,000,000) of the assessable profits of a subsidiary are taxed at 8.25% (2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (2021: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Current:		
Charge for the year:		
The People's Republic of China (including Hong Kong)	<b>65</b>	502
The United State of America	<b>75</b>	-
Under/(over) provision in prior years		
The People's Republic of China (including Hong Kong)	<b>34</b>	(276)
The United State of America	<b>187</b>	-
Deferred	<b>11,535</b>	508
Total tax charge for the year	<b>11,896</b>	734

## 8. Dividends

No dividend was paid or proposed for the year ended 31 December 2022 (2021: Nil), nor has any dividend proposed since the end of the reporting period (2021: Nil).

## 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\$138,784,000 (2021: HK\$139,812,000) and the weighted average number of ordinary shares of 880,543,017 (2021: 880,543,017) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2022 and 2021 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

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Trade receivables	<b>202,003</b>	192,760
Impairment	<b>(11,372)</b>	(11,882)
	<b><u>190,631</u></b>	<b><u>180,878</u></b>

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:

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Current to 30 days	<b>128,321</b>	126,373
31 to 60 days	<b>27,272</b>	23,701
61 to 90 days	<b>16,349</b>	14,078
91 to 120 days	<b>10,061</b>	8,021
Over 120 days	<b>8,628</b>	8,705
	<b><u>190,631</u></b>	<b><u>180,878</u></b>

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

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
At beginning of year	<b>11,882</b>	17,276
Impairment loss/(reversal of impairment) recognised (note 6)	<b>2,160</b>	(2,310)
Amounts written off as uncollectible	<b>(2,661)</b>	(3,044)
Exchange realignment	<b>(9)</b>	(40)
At end of year	<b><u>11,372</u></b>	<b><u>11,882</u></b>

## 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:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Current to 30 days	<b>15,450</b>	28,519
31 to 60 days	<b>4,812</b>	7,914
61 to 90 days	<b>6,901</b>	3,064
91 to 120 days	<b>1,317</b>	775
Over 120 days	<b>705</b>	1,763
	<b><u>29,185</u></b>	<u>42,035</u>

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Business Review**

Since the outbreak of the COVID-19 pandemic, Hong Kong's economy has fallen into deep recession. In 2022, the fifth wave of the outbreak severely affected local economic activities and social sentiment, hindering the market recovery process and leading to a further blow to the economy. Coupled with global geopolitical tensions and the sharp tightening of monetary policies by major central banks worldwide, Hong Kong's economy recorded negative growth of 3.5% in 2022. Currently, the global economy is in a downturn, and the volatility of local stock and property prices has put pressure on the asset prices of many citizens, further reducing their consumption sentiment and weakening the overall market.

According to admanGo's advertising data, total local advertising expenditure in 2022 was HK\$28.1 billion, which was similar to 2021. However, due to the impact of the fifth wave of COVID-19 in Hong Kong, local advertising expenditure recorded a decrease of 5.3% in the first quarter, followed by a slight decrease in the second quarter of 2022. Fortunately, local economic activities gradually resumed normalcy after the easing of the epidemic and the relaxation of social distancing measures by the Hong Kong Government in April. Additionally, with the distribution of consumption vouchers in April and August, as well as the relaxation of overseas entry quarantine arrangements in Hong Kong in July, advertising expenditure resulted in a slight increase in the third and fourth quarters.

The Group recorded a consolidated revenue of approximately HK\$815.0 million in 2022, representing a slight decrease from approximately HK\$834.8 million in 2021. Amid the severe impact of the fifth wave of COVID-19 and uncertain economic conditions, local consumption remains weak. Furthermore, with the gradual relaxation of quarantine measures for overseas travel, people are increasingly travelling abroad, which has further weakened both local consumption and the performance of the advertising market. In addition, the volatility of the stock and financial markets has worsened the sluggish property market and has further affected the placement of advertisements across various industries.

The consolidated loss attributable to owners of the Company slightly decreased from approximately HK\$139.8 million in 2021 to approximately HK\$138.8 million in 2022. The related loss was mainly attributable to the reduction in newspaper advertising income primarily due to the fifth wave of COVID-19 in Hong Kong, as well as an increase in expenditure for the enhancement of new business, the purchase of newsprint, and increased printing expenses in 2022. However, the prudent control of production costs in the Group's media business, coupled with the wage subsidies provided by the "2022 Employment Support Scheme" under the Anti-epidemic Fund launched by the Hong Kong Government during the year, helped alleviate the pressure on results.

### ***New Media Business Development***

According to admanGo's advertising data, advertising expenditure on digital media (desktop computers and mobile advertisements) recorded a total of a 7% year-on-year (YoY) increase in 2022. Digital media advertising and marketing activities grew at a rapid rate during the outbreak of the pandemic, accounting for the largest share of local advertising expenditure. Both readers and advertisers have quickly switched to digital channels.



Looking back on 2022, the Group continually promoted the integration of print media and new media, and achieved breakthroughs in the field of digitalisation. In January 2022, the new mobile app, “Sing Tao Headline”, which incorporates big data analytics and artificial intelligence technology, was launched. The app not only serves general readers but also our business partners and advertisers, forming an ecosystem, strengthening the communication and the connection among people and society. As of January 2023, this app has received over 2,000,000 downloads. In the middle of 2022, the “Sing Tao Headline” app won the “Alibaba Cloud Digital Transformation of the Year” award at the “Alibaba Cloud Summit Hong Kong 2022” held by Alibaba Cloud, a subsidiary of Alibaba.

In early 2023, the Group launched a brand-new “Sing Tao Headline” website, to be followed by the optimisation and upgrade of the “Sing Tao Headline” app. Through the combination of desktop and mobile portal products, the Group has provided readers with an integrated platform that combines life, news information, video and sharing functions. After the launch of the new “Sing Tao Headline” website and app, the total number of views of the website continued to rise significantly and reached nearly 10,000,000 views per day by early 2023, recording a more than twofold increase from the middle of 2022. Users can browse hot news, videos and diversified live programmes anytime and anywhere, in order to bring users and readers a more comprehensive and exciting information platform and the best experience. In addition, our “www.stnn.cc” (「星島環球網」) covers Mainland China, providing global information to Mainland readers.

Content on the Headline Daily’s website has been transferred to the “Sing Tao Headline” website since February 2023. The Headline Daily’s website will gradually fade out, and in the future, readers may continue to browse news information through the “Sing Tao Headline” website.

Following the launch of digital e-marketing activities that combine different advertising platforms within the system, the Group provides advertisers with tailored omni-channel marketing solutions that are more efficient in helping advertisers to achieve their advertising objectives through coordination among platforms.

Ohpama.com continues to provide parents with information on parenting, education, family life, and more. At the same time, it is committed to providing tailor-made marketing projects and promotion strategies for brand agencies and advertisers to promote online and offline promotions, advertising and campaign effectiveness, the effect of which is widely acclaimed. In 2022, Ohpama.com was once again awarded the “Best Parenting Digital Media of the Year” by Marketing-Interactive Magazine, marking five consecutive years of winning this award. It also won multiple media awards in the “Marketing Events Awards 2022” hosted by the magazine.

In response to the special school holiday announced by the Hong Kong Government in 2022, Ohpama.com designed a series of “Oh! Learn at Home” live programmes that covered sports, interests, games, parent-child handicrafts and academics to cater to the needs of parents and students for learning and activities at home. Ohpama.com and 24parent.com have a combined total of nearly 760,000 followers on Facebook and Instagram, making them the most popular social media platforms for parents and children in Hong Kong.

### *Newspapers*

The Group continues to maintain its leading position in the print media market and remains committed to creating high-quality content and providing high-added-value advertising services to expand the competitiveness of its core media business. The Group’s newspaper business includes Sing Tao Daily, a renowned international Chinese newspaper, Headline Daily, the highest-circulated free newspaper in Hong Kong, The Standard, a widely-circulated free English newspaper, and the overseas business of Sing Tao Daily.

According to Nielsen’s survey results in the fourth quarter of 2022, Headline Daily continues to be the newspaper with the most readers in Hong Kong. With an extensive distribution network, Headline Daily is far ahead of its competitors in terms of circulation and number of readers, and firmly ranks first among free newspapers in Hong Kong. However, according to admanGo’s advertising data, total advertising expenditures on free newspapers decreased by 15% YoY in 2022 due to the impacts of the fifth wave of COVID-19, the interest rate hike cycle and the volatility of the stock market. As a result, the performance of local retail consumption and property market remained weak, which led to the contraction of advertising budgets of advertisers in all segments, and inevitably a drop in the advertising income of Headline Daily. Despite this, Headline Daily is actively expanding its non-consumption goods advertising categories, enhancing its online and offline joint advertising sales, and has already unveiled a brand new look to readers in March 2023.

Sing Tao Daily is committed to providing high-quality content in the spirit of reporting facts. It always actively focuses on the needs of readers and maintains close contact with them. Sing Tao Daily not only provides readers with in-depth news and information to help them keep abreast of what is going on in the world at any time, but also features content related to daily life. Recently, it has improved the printing quality and deepened coverage of topics such as finance and technology. This has been well recognised and appreciated by readers.

According to admanGo’s advertising data, advertisement expenditure on paid newspapers recorded a YoY decrease of 10% in 2022. Falling property prices and rising interest rates led to a sharp decline in property transactions, causing property developers to reduce their advertising spending, which has directly affected the advertising income of Sing Tao Daily. However, starting from 1 January 2022, Sing Tao Daily increased its price to the market level of HK\$10 per copy, and the sales volume remained stable after the increase. According to Nielsen’s survey results in the fourth quarter of 2022, the number of Sing Tao Daily readers increased to 314,000.

To meet the present requirements of national education in secondary and primary schools, Sing Tao Daily’s “Sing Tao Learning Platform” has launched the “National Education Media and Information Literacy Implementation Plan” for all secondary and primary schools in the school year 2022-2023. Teachers and students learnt relevant knowledge through a series of step-by-step learning modules on platforms, holding of on-campus and online seminars, and arranging workshops. Since its launch, over 30,000 teachers and students have registered. Moreover, this plan will bring additional revenue to Sing Tao Daily. Further, since 1 January 2023, Sing Tao Daily has undergone a complete revamp to keep pace with the times and bring a better experience to its readers.

Under the influence of the general environment in 2022, the English newspaper market had inevitably suffered a blow, but The Standard’s advertising income in the fifth wave of COVID-19 had a minimal impact, with only a slight decline recorded. On the contrary, according to the survey results of Nielsen in the fourth quarter of 2022, the number of readers of The Standard increased by 42% YoY. In response to the changes in the pandemic outbreak in Hong Kong, The Standard continued to enhance the electronic versions of The Student Standard and Junior Standard to cater to the current learning patterns of students. The number of subscribers to the two student newspapers exceeded the total sales of the physical versions and electronic versions in the previous academic year. The education segment also generated additional revenue through preparation of education guides and related special issues. With the relaxation of gathering regulations, local exhibitions gradually returned to the market. Apart from online live seminars, overseas real estate customers can also organise exhibition activities, hence driving advertising revenue of newspapers and electronic platforms.

In 2022, Sing Tao Daily's overseas operations continued to actively adjusting its businesses to cope with market changes and the development of COVID-19. These measures included changing its structure and strict control of costs. Benefiting from the easing of the pandemic overseas, business and people's livelihood activities gradually returned to normal. As a result, the annual revenue of overseas businesses rebounded in 2022. However, the operating costs were under greater pressure due to the surge in newsprint prices and inflation.

### ***Magazines***

According to admanGo's advertising data, the magazine market in Hong Kong recorded a 16% YoY decline in advertising expenditure in 2022, while the Group's flagship magazine, East Week, achieved a 20% growth in advertising income, far surpassing the market performance and maintaining its position as the agency with the largest share in the advertising market. With its in-depth and comprehensive information, East Week has a wide range of readers and its influence has been widely recognised. In terms of readership, according to Nielsen's survey results in the fourth quarter of 2022, East Week achieved the highest readership among all surveyed weekly magazines in Hong Kong. Throughout the year, East Week completed various special issue projects of commemorative books on the 25th Anniversary of the establishment of the Hong Kong Special Administrative Region, generating additional revenue for the Group and resulting in a notable increase in revenue. East Week always keeps pace with time, comprehensively upgrading and refining its content to provide readers with a fresh look.

The Group also broke the traditional boundaries by merging Sing Tao Motor, a supplement focusing on new car news and offering professional insight, with Caz Buyer, a leading magazine in terms of the used car market, into "Sing Tao Motor CAZ", thus enriching its content. To further strengthen its digital media position, the editorial teams of East Week and Caz Buyer will continue to explore fresh topics and produce a wide range of content and exciting video clips on online platforms regularly for boosting further the channel's activity and viewership. It is also worth noting that East Week and another magazine, Caz Buyer, both reached their 1,000th issue in 2022.

### ***Recruitment Media***

According to admanGo's advertising data, the number of recruitment advertisements in the Group's recruitment titles, comprising JobMarket, HeadlineJobs, and The StandardJobs, represents the largest market share of print recruitment media. In 2022, the distribution points of JobMarket were extended to include the East Rail Line and the Tuen Ma Line, making a total of seven MTR lines. With full coverage of Hong Kong, Kowloon, and parts of the New Territories, JobMarket has established itself as the largest railway distribution network in Hong Kong. According to the survey results of Nielsen in the fourth quarter of 2022, the number of readers of JobMarket increased by 55% YoY. In addition, JobMarket and HeadlineJobs have had over 170,000 and 28,000 followers on Facebook, respectively.

During the fifth wave of COVID-19, JobMarket actively strengthened its partnership with overseas educational institutions by selling advertisements on social media online platforms and generating advertising income from overseas educational institutions through video conferences, webinars, and virtual fairs. As the Hong Kong Government relaxed the anti-epidemic measures, recruitment activities were relaunched in major industries such as catering, construction, insurance, property management, banking, transportation, airport and aviation logistics, and health care. As physical education exhibitions are also gradually resumed as normal, the online and offline sales portfolio of the JobMarket and HeadlineJobs recruitment pages are strengthened.

## **Prospects**

Looking forward to 2023, the global economic environment remains complex and volatile, with both opportunities and challenges. After three years of epidemic prevention and control, there are dawning signs of an end to the pandemic, and the world is stepping into a stage of recovery. Most of the quarantine restrictions have been lifted in Mainland China and Hong Kong, and the long-awaited quarantine-free customs clearance between the two places has been officially implemented. This further supports the sustainable development of the local economy, which benefits industries to plan promotion strategies for the coming year, and it is expected that local advertising expenditures will resume growth.

However, there are still many uncertainties and constraints in the global macro trend. Under these conditions, we expect the Hong Kong economy will resume positive growth in 2023 and open a new chapter in the post-epidemic era. However, the road to recovery in Hong Kong still faces a number of challenges. There is still a long way to return to the pre-COVID level. In the face of the difficult business environment, the Group will continue to maintain its capital and liquidity in a prudent and cautious manner, focus on its core strengths, provide high-quality content and a cost-effective advertising platform to meet the needs of our readers and advertising clients. This way, we are best positioned to cope with the upcoming recovery and stand ready for the long term.

At the same time, 2023 marks the official 85th anniversary of “Sing Tao”, which is also a major milestone for Hong Kong society and the media. To celebrate this event, Sing Tao News Group will unite together and share the same vision, aiming to create a wonderful celebration year in 2023 and share this joy with Hong Kong people. We will take the “Growing with Hong Kong” tour exhibitions to showcase Sing Tao’s development history and Hong Kong’s history over the past 85 years, which will be held in Hong Kong Island, Kowloon and the New Territories. We believe that the event will recall precious memories of all Hong Kong people.

## **EMPLOYEES**

As at 31 December 2022, the Group had approximately 1,114 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**

### **Change of Address of Hong Kong Branch Share Registrar and Transfer Office**

As announced on 8 July 2022, the address of Tricor Tengis Limited, the Company’s Hong Kong branch share registrar and transfer office, was changed to 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong with effect from 15 August 2022.

## **Completion of Transfer of Shares by Substantial Shareholder**

On 27 May 2022, Vast Resources International Limited (the “Vendor”), a company wholly-owned by Ms. Kwok Hiu Ting, and Power Giant Holdings Limited (the “Purchaser”) , a company wholly-owned by Mr. Choi Karson Ka Tsan, have entered into a sale and purchase agreement pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 125,000,000 ordinary shares of the Company, representing approximately 14.20% of the entire issued share capital of the Company as at 30 May 2022. This transfer of shares by substantial shareholder have been completed on 19 September 2022.

Please refer to the Company’s announcement dated 30 May 2022 for details.

## **Disposal of Property in Canada**

On 20 September 2022 (Canada time), Sing Tao (Canada) Limited (an indirect wholly-owned subsidiary of the Company) and 5014048 Ontario Inc. entered into an agreement in relation to the disposal of the real property located in Canada held by the Group.

Please refer to the Company’s announcements dated 22 September 2022 and 1 March 2023 for the principal terms of the disposal.

## **DIVIDENDS**

The Board do not recommend the payment of final dividend (2021: Nil) for the year. No interim dividend was declared for the year (2021: 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, 12 May 2023 (the “2023 AGM”), the register of members of the Company will be closed from Tuesday, 9 May 2023 to Friday, 12 May 2023, both days inclusive, during which no transfer of shares will be registered. To be eligible to attend and vote at the 2023 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 5 May 2023.

## **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 C.5.1 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.

According to the code provision F.2.2, the Chairman of the Board shall attend the Company's annual general meeting (the "AGM"). The Chairman of the Board, Mr. Kwok Ying Shing was unable to attend the AGM held in 2022 due to other business commitments.

## **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 2022 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.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.singtaonewscorp.com](http://www.singtaonewscorp.com). The 2022 annual report will also be published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.singtaonewscorp.com](http://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 / Choi Karson Ka Tsan**  
*Co-Chairman*

Hong Kong, 22 March 2023

*As at the date of this announcement, the Board members comprise: (1) executive Directors: Mr. KWOK Ying Shing (Co-Chairman), Mr. CHOI Karson Ka Tsan (Co-Chairman), Ms. KWOK Hiu Ting (Vice-chairman and Co-Chief Executive Officer) and Mr. CAI Jin (Co-Chief Executive Officer); and (2) independent non-executive Directors: Mr. WU Ting Yuk, Anthony, Ms. HAN Yonghong and Mr. FAN Chun Wah Andrew.*