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 2023

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 2023 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2023

	Notes	**2023**	2022
		HK$'000	HK$'000
REVENUE	4	**819,863**	815,008
Cost of sales		**(567,384)**	(607,761)
Gross profit		**252,479**	207,247
Other income and gains, net	4	**54,128**	48,581
Distribution expenses		**(128,093)**	(143,400)
Administrative expenses		**(211,177)**	(226,317)
Other expenses, net		**(5,988)**	(2,257)
Finance cost	5	**(1,244)**	(1,242)
Share of profits and losses of:			
Joint ventures		**(6,156)**	(11,005)
Associates		**(810)**	1,505
LOSS BEFORE TAX	6	**(46,861)**	(126,888)

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

Year ended 31 December 2023

	Notes	**2023** **HK$'000**	2022 HK$'000
Income tax expense	7	**(2,204)**	(11,896)
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(49,065)**	(138,784)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY — (HK cents)	9		
Basic		**(5.57)**	(15.76)
Diluted		**(5.57)**	(15.76)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2023

	2023	2022
	HK$'000	HK$'000
LOSS FOR THE YEAR	**(49,065)**	(138,784)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations (with nil tax effect)	**(904)**	(4,845)
Reclassification adjustment for a foreign operation deregistered during the year (with nil tax effect)	**2,285**	-
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**1,381**	(4,845)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement of provision for long service payments (with nil tax effect)	**229**	-
Gains on property revaluation	**24,924**	27,534
Income tax effect	**(4,387)**	(4,916)
	20,766	22,618
Share of other comprehensive income of a joint venture (with nil tax effect)	**-**	7,545
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**20,766**	30,163
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**22,147**	25,318
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**(26,918)**	(113,466)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	Notes	**2023**	2022
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,084,359**	1,125,825
Investment properties		**111,214**	104,849
Intangible assets		**100**	100
Investments in joint ventures		**8,473**	15,033
Investments in associates		**12,202**	23,962
Equity investments designated at fair value through other comprehensive income		**47**	47
Financial assets at fair value through profit or loss		**10,427**	10,969
Deferred tax assets		**4,571**	4,571
Other deposits paid		**4,653**	3,544
Total non-current assets		**1,236,046**	1,288,900
CURRENT ASSETS			
Inventories		**23,753**	37,065
Trade receivables	10	**190,118**	190,631
Prepayments, other receivables and other assets		**33,839**	27,205
Financial assets at fair value through profit or loss		**1,923**	1,846
Tax recoverable		**1,272**	1,385
Cash and cash equivalents		**524,258**	472,454
		775,163	730,586
Asset classified as held for sale		**-**	35,157
Total current assets		**775,163**	765,743
CURRENT LIABILITIES			
Trade and bills payables	11	**29,306**	29,185
Other payables and accruals		**123,429**	130,284
Lease liabilities		**10,395**	16,214
Tax payable		**290**	282
Total current liabilities		**163,420**	175,965
NET CURRENT ASSETS		**611,743**	589,778
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,847,789**	1,878,678

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2023

	2023	2022
	HK$'000	HK$'000
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**133,831**	127,401
Lease liabilities	**13,090**	23,491
Total non-current liabilities	**146,921**	150,892
Net assets	**1,700,868**	1,727,786
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**176,109**	176,109
Reserves	**1,524,759**	1,551,677
Total equity	**1,700,868**	1,727,786

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"), 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 2023. 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).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has 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 new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

2. Changes in accounting policies and disclosures (continued)

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

(d) Amendments to HKAS 12 International Tax Reform – Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022 the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will come into effect from 1 May 2025 (the "Transition Date"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the Transition Date (the abolition of the "offsetting mechanism"). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

2. Changes in accounting policies and disclosures (continued)

New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism (continued)

Applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance. The cessation of applying the practical expedient in paragraph 93(b) of HKAS 19 in conjunction with the enactment of the Amendment Ordinance resulted in a catch-up profit or loss adjustment in June 2022 for the service cost up to that date. Since the amount of the catch-up profit or loss adjustment was not material, the Group did not restate the comparative figures in the consolidated financial statements.

Except as described above, the application of the new and revised HKFRSs and changes in other accounting policies in the current year has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the consolidated financial statements.

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 (2022: Nil).

4. Revenue, other income and gains, net

An analysis of revenue is as follows:

	2023	2022
	HK$'000	HK$'000
Revenue from contracts with customers	**813,183**	807,910
Revenue from other sources		
Gross rental income from operating leases	**6,680**	7,098
Total	**819,863**	815,008

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

(i) Disaggregated revenue information

	2023	2022
	HK$'000	HK$'000
Types of goods or services		
Advertising income	**543,671**	545,603
Circulation income	**141,597**	153,235
Content sales and news service income	**8,289**	11,719
Project management income	**48,329**	29,184
Printing income	**34,392**	32,858
Radio broadcasting advertising income	**19,921**	22,721
Service income	**9,068**	6,046
Others	**7,916**	6,544
Total	**813,183**	807,910

	2023	2022
	HK$'000	HK$'000
Geographical markets		
The People's Republic of China (including Hong Kong)	**646,853**	623,089
North America	**163,395**	180,635
Europe	**2,935**	4,186
Total revenue from contracts with customers	**813,183**	807,910
Timing of revenue recognition		
At a point in time and total revenue from contracts with customers	**813,183**	807,910

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:

	2023	2022
	HK$'000	HK$'000
Circulation income	**11,449**	19,848

(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:

	2023 **HK$'000**	2022 HK$'000
Other income		
Bank interest income	**20,153**	5,128
Investment income	**2**	19
Dividend income from equity investments	**127**	115
Government grants from		
Employment Support Scheme (Note)	**-**	23,035
Government grants from		
Employee Retention Tax Credit (Note)	**19,516**	3,401
Gain on disposal of publishing titles	**-**	3,000
Others	**8,853**	7,665
Total other income	**48,651**	42,363
Gains/(losses), net		
Fair value (losses)/gains, net on:		
Financial assets at fair value through profit or loss	**(472)**	(491)
Derivative financial instruments – transactions		
not qualifying as hedges	**-**	(221)
Investment properties and asset clarified as held for sale	**6,365**	16,928
Gain on disposal of items of property,		
plant and equipment	**344**	107
Gain on disposal of asset classified as held for sales	**1,544**	-
Loss on disposal of an associate	**(168)**	-
Loss on deregistration of a subsidiary	**(968)**	-
Gain on lease modifications	**-**	21
Foreign exchange differences, net	**(1,168)**	(10,126)
Total gains, net	**5,477**	6,218
Total other income and gains, net	**54,128**	48,581

Note:
During the current year, the Group recognised approximately HK$19,516,000 (2022: HK$3,401,000) in respect of COVID-19 related Employee Retention Tax Credit provided by the United States Government.

In 2022, the Group recognised approximately HK$23,035,000 in respect of COVID-19 related subsidies relates to Employment Support Scheme provided by the Hong Kong Government (2023: Nil).

5. Finance cost

	2023	2022
	HK$'000	HK$'000
Interest on lease liabilities	**1,244**	1,242

6. Loss before tax

The Group's loss before tax is arrived at after charging:

	2023	2022
	HK$'000	HK$'000
Cost of inventories sold	**92,382**	97,221
Depreciation of property, plant and equipment	**60,874**	66,584
Depreciation of right-of-use assets	**18,153**	18,421
	79,027	85,005
Impairment loss of trade receivables (note 10)	**5,982**	2,160
Write-off of trade receivables	**5**	-
Write-off of other receivables	**-**	250
Foreign exchange differences, net	**1,168**	10,126

7. Income tax

Hong Kong Profits Tax has been provided at the rate of 16.5% (2022: 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 (2022: HK$2,000,000) of the assessable profits of this subsidiary are taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2023	2022
	HK$'000	HK$'000
Current:		
Charge for the year:		
The People's Republic of China		
(including Hong Kong)	**28**	65
North America	**152**	75
Under provision in prior years		
The People's Republic of China		
(including Hong Kong)	**-**	34
North America	**172**	187
Deferred	**1,852**	11,535
Total tax charge for the year	**2,204**	11,896

8. Dividends

No dividend was paid or proposed for the year ended 31 December 2023 (2022: Nil), nor has any dividend proposed since the end of the reporting period (2022: 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$49,065,000 (2022: HK$138,784,000) and the weighted average number of ordinary shares of 880,543,017 (2022: 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 2023 and 2022 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

	2023	2022
	HK$'000	HK$'000
Trade receivables	**206,737**	202,003
Impairment	**(16,619)**	(11,372)
Net carrying amount	**190,118**	190,631

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:

	2023	2022
	HK$'000	HK$'000
Current to 30 days	**119,843**	128,321
31 to 60 days	**26,018**	27,272
61 to 90 days	**18,838**	16,349
91 to 120 days	**12,615**	10,061
Over 120 days	**12,804**	8,628
Total	**190,118**	190,631

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

	2023	2022
	HK$'000	HK$'000
At beginning of year	**11,372**	11,882
Impairment loss (note 6)	**5,982**	2,160
Amounts written off as uncollectible	**(738)**	(2,661)
Exchange realignment	**3**	(9)
At end of year	**16,619**	11,372

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:

	2023	2022
	HK$'000	HK$'000
Current to 30 days	**15,893**	15,450
31 to 60 days	**7,234**	4,812
61 to 90 days	**4,630**	6,901
91 to 120 days	**627**	1,317
Over 120 days	**922**	705
Total	**29,306**	29,185

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In early 2023, the lifting of anti-pandemic measures and the resumption of normal travel between Hong Kong and the Mainland marked the emergence of Hong Kong's economy from the shadow cast by the pandemic and the return towards normal social life. Transitioning into the post-pandemic era, the Hong Kong economy experienced a robust rebound, driven by the reopening of immigration control points and a surge in Mainland tourist arrivals. However, the weakening momentum of China's overall economic recovery and the global economy's rebound, coupled with heightened geopolitical tensions, adjustments in the global supply chain, interest rate hikes, and changes in consumption patterns, have continued to exert pressure on export, investment and consumption. Additionally, the uncertain external environment has fostered a more cautious market sentiment in Hong Kong since the middle of the year. According to the Census and Statistics Department, Hong Kong's gross domestic product ("GDP") in 2023 experienced a real growth of 3.2% year-on-year ("YoY").

In 2023, Hong Kong's advertising spending exhibited significant volatility throughout the year, deviating from previous trends. According to admanGo's advertising data, the total advertising spending in Hong Kong amounted to HK$30.1 billion, reflecting a YoY increase of 5.4%. Benefiting from several positive factors, including the resumption of normal travel with the Mainland and successful pandemic control, Hong Kong's overall economic recovery prompted various industries to ramp up their investments in publicity and promotion, leading to a substantial YoY surge of 21% in advertising spending during the first quarter. However, the second quarter experienced a slowdown in the growth of advertising spending to 5.5%, attributed to changes in spending patterns among inbound travellers after the full resumption of HK-Mainland travel and the post-pandemic outbound travel boom in Hong Kong. Advertisers also adjusted their promotional strategies to align with the evolving market conditions. Despite the summer holiday being the traditional peak season for local tourism, advertising spending in the third quarter witnessed a YoY decline of 2.6%. However, the fourth quarter saw a subsequent rebound, with advertising spending increasing by 1.3% YoY, fuelled by the vibrant holiday shopping atmosphere.

The Group recorded a consolidated revenue of approximately HK$819.9 million in 2023, representing a slight increase from approximately HK$815.0 million in 2022. Amid uncertain economic conditions, local consumption remains weak. Following the full resumption of normal travel, outbound travel and spending in the Mainland have become a trend in Hong Kong, further dampening local consumption and the advertising market's performance. Additionally, the uncertain external political environment and the persistent global economic downturn continue to generate turbulence in the stock and financial markets, exerting substantial pressure on Hong Kong's property market, thereby resulting in a cascading effect on advertising spending across various sectors. According to admanGo's advertising data, property developers adjusted their sales arrangements for new properties to adapt to the market conditions. As a result, the property sector witnessed a YoY drop of 5% in advertising spending in 2023.

The consolidated loss attributable to owners of the Company significantly decreased from approximately HK$138.8 million in 2022 to approximately HK$49.1 million in 2023, which included a depreciation charge of property, plant and equipment of approximately HK$60.9 million (the depreciation charge in 2022 was HK$66.6 million). The significant reduction in the loss for 2023 was primarily driven by the continuous acceleration of the new media business transformation, coupled with the structural reform of the Group's business, increase in business revenue, and effective cost control measures.

New Media Business

According to admanGo's advertising data, the share of advertising spending on digital media recorded a YoY increase of 2.0 percentage points to 40.8% in 2023. With a focus on new media as a key aspect of the Group's business development, we have consistently recruited skilled professionals, enhanced and upgraded our online platforms, including websites, applications and social media, strengthened user experience, and broadened business income channels. Leveraging artificial intelligence, big data analytics, and other technologies, we promote the integration of the Group's programmatic advertising ecosystem, generating revenue and achieving breakthroughs. We offer comprehensive one-stop solutions for advertisers, seamlessly coordinating across multiple platforms, including both new media and print media. Through data analysis, we provide highly precise targeting for advertising investments, resulting in exceptionally effective promotional campaigns and consistently generating considerable returns for advertisers. In 2023, the Group's revenue from new media business recorded significant growth.

In early 2023, the Group launched the brand-new "Sing Tao Headline" website and continued to optimise the "Sing Tao Headline" app, achieving remarkable results. The total user number of the new media platform continues to reach new heights, while the total page views have consistently surged, reflecting the high level of trust and appreciation users have for the "Sing Tao" brand. Additionally, our "www.stnn.cc" (星島環球網), which is accessible directly in the Mainland, has undergone a new upgrade, serving as a bridge and link to actively expand our presence in the Greater Bay Area and the Mainland markets, facilitating information exchange between the two regions. Moreover, the Group has launched official "Sing Tao" accounts on various social media platforms in the Mainland to create a diversified media communication matrix.

During the year, the Group also launched the "Sing Tao PROBE", positioned as the most pragmatic complaint platform in Hong Kong. This platform serves as a channel for citizens from Hong Kong and the Mainland, as well as small and medium-sized enterprises, large organisations, and various government departments to voice their complaints and clarify misunderstandings. We also invited industry experts to provide insights on the city's hot topics and answers for mysteries, injecting more positive energy into the Hong Kong community. Towards the end of the year, the platform initiated a new project titled "The Ombudsman in 18 Districts" (區區有申訴), collaborating with various sectors in the communities and members of the new session of the District Council. This initiative reached out to the streets and alleys of the 18 districts to address issues for the general public and benefit society as a whole.

The Group's online parenting platform, Ohpama.com, is dedicated to sharing content with parents, encompassing practical parenting knowledge, lifestyle information, insights on education and parenting activities, and customising online and offline marketing solutions and promotional strategies for brand agencies and advertisers. It has maintained a strong media reputation over the years, being highly competitive in terms of promotional creativity and media coverage. Ohpama.com has topped the Marketing Interactive media survey for six consecutive years (from 2018 to 2023). During the year, Ohpama.com successfully introduced programmatic advertising and affiliate marketing, opening up new revenue channels for the Group. As of the end of 2023, Ohpama.com, together with its social media account 24parent.com, had amassed more than 760,000 subscribers on Facebook and Instagram, making it one of the most popular parenting social media channels in Hong Kong. Additionally, the Group's magazine Smart Parents has been awarded the "Best Parenting Magazine" for eleven consecutive years (from 2013 to 2023). Since 2023, Smart Parents has been integrated as one of the business channels of Ohpama.com, and the two complement each other to provide the best interactive experience for users.

Newspapers

The Group remains steadfast in its leading position within the print media market, boasting a portfolio that includes Sing Tao Daily, Headline Daily, The Standard, and the overseas edition of Sing Tao Daily. Despite facing unprecedented challenges in the traditional print media landscape, we are firmly convinced that a solid brand foundation and commitment to quality content value are the cornerstones of maintaining our core competitiveness. The Group will optimise the coverage and layout design of our print media in response to market demand, aiming to both consolidate and attract a broader readership. Our goal is to continue expanding Sing Tao's influence within the print media market while adapting to evolving industry dynamics.

Sing Tao Daily

As a renowned international Chinese newspaper, Sing Tao Daily remains committed to providing high-quality content while upholding the principles of reporting facts and impartial objectivity. We have consistently demonstrated attentiveness and responsiveness to the needs of our readers, offering not only in-depth news and information but also content related to daily life, earning recognition and appreciation from our readers. According to admanGo's advertising data, the total advertising spending on paid newspapers for 2023 remained at the same level as in 2022, while the advertising revenue of Sing Tao Daily during the year also aligned with market performance. The recovery of tourism and related industries contributed to growth in advertising revenues from the government, exhibitions, retail, and tourism sectors. However, the real estate sector experienced a decline due to the cautious sentiment among developers towards the property market, resulting in a drop in the volume of advertisements for both new and unsold first-hand private residential units. In late 2023, Sing Tao Daily's supplements "Rich and Famous" and "ArtCan" were revamped, successfully combining layout design and content sponsorship to attract more advertisements from arts organisations and enterprises concerned with arts development. Additionally, to meet the requirements of promoting national education in secondary and primary schools and developing students' media and information literacy, Sing Tao Daily's "Sing Tao Learning Platform" launched the "National Education Media and Information Literacy Implementation Plan" for all secondary and primary schools in Hong Kong in the school year 2022-2023. Currently, over 60,000 teachers and students have registered. Moreover, this plan has successfully brought additional revenue to Sing Tao Daily.

Headline Daily

With its extensive distribution network, Headline Daily maintains its position as the No. 1 newspaper in terms of advertisements and market share, continuing to be the most widely circulated free newspaper in Hong Kong with a large readership. Following the revamps of Sing Tao Daily and East Week, Headline Daily underwent a revamp in 2023 to emphasise the section design and functionality, a move that was well-received by the market. According to admanGo's advertising data, the total advertising spending on free newspapers increased by approximately 3.7% YoY in 2023, with Headline Daily recording double-digit YoY growth in advertising revenue, significantly outperforming the market average. In terms of advertising placement, there was a notable increase in industries such as tourism, media, and hotels. However, the property market in Hong Kong remained sluggish, leading to a slightly lower-than-expected advertising revenue within the real estate sector.

The Standard

According to admanGo's advertising data, The Standard, the sole free English newspaper in Hong Kong, recorded a slight YoY decline in overall advertising revenue in 2023. Revenue from the overseas property sector was particularly affected in the second half of the year due to the global economic situation. However, there was an upward trend in digital advertising revenue, primarily driven by the growth in online content marketing and sponsored content. The Group remains committed to investing more resources to enhance the performance of its digital platforms. This includes revamping websites and applications, and strengthening its connections with external search engines to increase content exposure, thereby increasing revenue from digital and programmatic advertising.

Overseas Business

In 2023, Sing Tao Daily faced a myriad of challenges, prompting proactively adjustments in its overseas business operations. The company implemented several measures, including stringent cost control and diversification of revenue streams, to navigate market changes effectively. However, the global economy encountered challenges such as inflation and interest rate hikes, compounded by geopolitical tensions such as the Russia-Ukraine war and the Israeli-Palestinian conflict. These factors significantly impacted advertisers' businesses, thereby exerting considerable pressure on advertising revenue across various aspects of the overseas business throughout the year. Despite these challenges, the overseas business managed to remain profitable in 2023, largely due to the receipt of an anti-pandemic subsidy of approximately HK$19.5 million from the United States Government.

Magazines

According to admanGo's advertising data, the magazine market in Hong Kong witnessed a significant 19.1% YoY decline in advertising spending in 2023. Despite this, our flagship magazine, East Week, continues to dominate the magazine advertising market, maintaining the largest share. 2023 marks the 20th anniversary of East Week, a publication renowned for its comprehensive and in-depth information over the years. Its popularity has made it a favorite among readers, enjoying widespread recognition for its influential content. To sustain our competitive edge in the magazine business, we remain committed to innovating our content, with a focus on meeting reader interests and needs. Moreover, in response to market changes, the Group is actively pursuing digital transformation. We launched the revamped "eastweek.com.hk" (東周網), aimed at improving the browsing experience for users. Additionally, the Group produced diverse content and exciting videos to enhance channel activity and increase viewership.

Recruitment Media

According to admanGo's advertising data, the Group's recruitment titles, including JobMarket, HeadlineJobs, and The StandardJobs, hold the largest market share of print recruitment media in terms of the number of recruitment advertisements. Among these, JobMarket excels with the most extensive railway distribution network in Hong Kong, spanning across seven MTR lines and reaching diverse areas in Hong Kong, Kowloon, and parts of the New Territories. In 2023, JobMarket experienced steady revenue growth, driven by strong demand for labour. The Group has been actively promoting its digital transformation efforts, continually improving its mobile applications and expanding its presence on social media platforms such as Facebook. Throughout the year, JobMarket organised "The Employer of Choice Award 2022" to recognise outstanding companies with exceptional talent management strategies and solutions, as well as remarkable performance in human resources matters. Additionally, it successfully organised several events that set a good example for the industry in terms of innovation. Furthermore, to facilitate the acquisition of talented professionals for Hong Kong, JobMarket collaborated with the Hong Kong Labour and Welfare Bureau to organise a campus recruitment fair under the "Top Talent Pass Scheme" at the Chinese University of Hong Kong (Shenzhen), and the event attracted over 3,000 participants on a single day.

Prospects

Looking ahead to 2024, the external environment remains complex, with uncertainties surrounding the global economic recovery. However, the Hong Kong Government is actively implementing a series of measures to promote economic development, which is expected to inject new momentum into Hong Kong's economy. As a media entity with a history of more than 85 years, "Sing Tao" is committed to expanding its potential in the new media area while solidifying its position in the traditional media market. Our goal is to drive media innovation and digital transformation.

We remain dedicated to sustainable development and will continue to champion environmental protection and social responsibility practices, aligning with the pursuit of sustainable development goals by reducing our environmental footprint and expanding community involvement. We will uphold our corporate social responsibility by adhering to the values of professionalism, objectivity, impartiality and diversity. We aim to provide high-quality news coverage and information, while actively participating in public services to promote social improvement.

In the future, as a platform for information exchange and communication, "Sing Tao" will continue to organise a series of major events, including the "Leader of the Year", "China Macro Economy and Greater Bay Area Integration Forum", "ESG Certification Ceremony and Sustainability Development Forum", "Inter-School Debating Competition", and "SZ-HK-MO Youth Creative Design Competition". These events aim to promote market development in an innovative and diversified manner, stimulating the growth of Hong Kong's economic and cultural activities, and fostering cultural communication and integration in the Greater Bay Area. All staff members at "Sing Tao" will collaborate to pursue the shared objective and contribute to the robust growth of the Group.

EMPLOYEES

As at 31 December 2023, the Group had approximately 1,220 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 (2022: Nil) for the year. No interim dividend was declared for the year (2022: 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, 17 May 2024 (the "2024 AGM"), the register of members of the Company will be closed from Monday, 13 May 2024 to Friday, 17 May 2024, both days inclusive, during which no transfer of shares will be registered. To be eligible to attend and vote at the 2024 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, 10 May 2024.

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 C1 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.

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 C3 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 2023 as set out in the preliminary 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 and consequently no opinion or assurance conclusion has been expressed by Baker Tilly on the preliminary announcement.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the year, including the accounting principles and accounting standards adopted by the Company, and discussed matters relating to auditing, risk management, internal control systems and financial reporting.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.singtaonewscorp.com. The annual report of the Company for 2023 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

By Order of the Board
Sing Tao News Corporation Limited
Kwok Ying Shing / Choi Karson Ka Tsan
Co-Chairman

Hong Kong, 26 March 2024

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.