



CHANGE OF ACCOUNTING YEAR-END DATE

Global China Technology Group Limited (the “Company”) and its subsidiaries (together the “Group”) including Sing Tao Holdings Limited (“Sing Tao”) have changed the accounting year-end date from 31 March to 31 December. The reason for the change is to align with the statutory year-end date of PRC entities where the Group has made significant investments, in the form of jointly controlled entities. This annual report covers nine months’ operation from 1 April 2001 to 31 December 2001 (the “Period”).

FINANCIAL RESULTS

For the nine months ended 31 December 2001, the Group recorded a turnover of HK\$1,033 million and net loss attributable to shareholders of HK\$131 million. Turnover and net loss attributable to shareholders (restated) for the previous 12 months ended 31 March 2001 was HK\$486 million and HK\$245 million respectively of which two months’ operation of Sing Tao was included as the Group’s acquisition of Sing Tao was completed on 31 January 2001.

The loss attributable to shareholder for the Period included some provisions such as the loss on changes in fair values of short term investment, the revaluation deficit on land and buildings, the provision on properties held for sale and the cost of a business restructuring and staff redundancy program of Sing Tao.

DIVIDENDS

The Board of Directors (the “Board”) of the Company does not recommend the payment of a final dividend for the nine months ended 31 December 2001. (year ended 31 March 2001: Nil).

更改會計年度年結日

泛華科技集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)(包括 Sing Tao Holdings Limited(「星島」))的會計年度年結日已經由三月三十一日改為十二月三十一日。是項變動是為了統一集團跟中國公司的法定年結日，因本集團透過共同控制公司，在中國擁有重大投資。本年報所涵蓋的期間由二零零一年四月一日至二零零一年十二月三十一日為止九個月(「期間」)的業績。

財務業績

本集團截至二零零一年十二月三十一日止九個月，本集團錄得營業額1,033,000,000港元，股東應佔虧損淨額131,000,000港元。過去截至二零零一年三月三十一日止十二個月，營業額及股東應佔虧損淨額(重列後)分別錄得486,000,000港元及245,000,000港元。由於本集團於二零零一年一月三十一日才完成收購星島，因此去年只包括星島兩個月的業績。

本期間的股東應佔虧損包括若干項撥備，如短期投資公允值變動虧損、土地及樓宇的重估虧絀、持作出售物業之撥備以及星島業務重組成本及裁員計劃的成本等。

股息

本公司董事會(「董事會」)並不建議派付截至二零零一年十二月三十一日止九個月的末期股息(截至二零零一年三月三十一日止年度：無)。



EMPLOYEES

As at 31 December 2001, the Group, excluding the jointly controlled entities, had a total of 2,796 employees.

FINANCIAL REVIEW

Liquidity and financial resources, gearing ratio, charges on group's asset

The Group maintained a healthy financial position and was in a net cash position throughout the Period. As at 31 December 2001, the Group had a cash and bank balance of HK\$332 million, bank borrowing of HK\$36 million and available banking facilities of HK\$272 million. The gearing ratio, defined as long-term borrowings to equity, was 3.3%. The Group had pledged assets totally HK\$208 million to secure the aforesaid bank borrowing and general banking facilities.

In June, the majority shareholder of the Company exercised the subscription rights attached to the preference shares to convert 132,000,000 preference shares into ordinary shares of the Company. Proceeds of approximately HK\$76 million had been raised for the Group, which were used as general working capital of the Group.

Capital structure, exposure to fluctuations in exchange rates

The Group adopted prudent funding and treasury policies with an aim to maintain sufficient cash to support the Group's operations and to minimize the foreign exchange risk. The Group's cash, cash equivalent, and bank borrowing were denominated in Hong Kong dollars and United States ("US") dollars. The Group's purchases were also mostly in Hong Kong dollars and US dollars and as a result, the Group has limited exposure to foreign exchange fluctuation.

僱員

於二零零一年十二月三十一日，本集團（不包括共同控制公司）合共聘有2,796位僱員。

財務回顧

流動資金與財務資源、資本負債比率以及集團資產變動

本集團於期間的財務狀況維持穩健，全期保持淨現金。於二零零一年十二月三十一日，本集團有現金及銀行結餘達332,000,000港元、銀行借貸36,000,000港元以及可動用銀行備用額272,000,000港元。以長期借貸除以資本計算的資本負債比率為3.3%。本集團已經將208,000,000港元的資產已經質押，作為以上銀行借貸以及一般銀行備用額的抵押。

本公司的大股東於六月行使優先股所附的兌換權，將132,000,000股優先股兌換為本公司普通股。由此籌得約76,000,000港元的款項，已作為本集團的一般營運資金。

資本結構、匯率波動風險

本集團已經採取審慎的資金及庫務政策，目的令本集團維持充裕的現金，支持集團業務運作及將匯兌風險減至最低。本集團的現金、現金等值項目與銀行借貸均主要為港元與美元。本集團的購貨亦大多以港元與美元列值，因此，本集團所面對的匯兌風險非常有限。



Investments

The Group had a total investment of HK\$51 million of which HK\$40 million were made in listed securities in Hong Kong as at 31 December 2001. As at 31 March 2001, the total investment amounted to HK\$146 million of which HK\$109 million were made in listed securities in Hong Kong.

Contingent liabilities

The Group had executed several guarantees in favour of a bank to secure 50% of the credit facilities granted to a jointly controlled entity. The Group's proportionate share of such credit facilities amounted to HK\$49 million. Except this, as at 31 December 2001, the Group did not have any contingent liability or claim, which the Board considered to be material or likely to succeed.

BUSINESS REVIEW — SEGMENT ANALYSIS

MEDIA AND INFORMATION SERVICES

Sing Tao Holdings

Since the acquisition of Sing Tao, the Group has undertaken a number of major business initiatives that bring a step closer to achieving its mission of becoming a leading multimedia content provider serving global Chinese communities. In the past nine months, Sing Tao has been actively pursuing new opportunities from the existing newspaper publishing business and begun to establish its presence in the China market. The first business co-operation was made with a Beijing-based infotainment magazine to provide media-related services such as circulation and advertising sales. In Hong Kong, Sing Tao has committed to gain a foothold in the magazine arena with the set up of a new magazine business unit. Product portfolio has also been broadened through the acquisition of two magazine titles, namely "East Touch" and "Teens", the new format of which have seen encouraging improvement in both circulation and advertising sales.

SING TAO
SING TAO GROUP

投資

本集團於二零零一年十二月三十一日的總投資額達51,000,000港元，其中40,000,000港元投資在香港的上市證券。本集團於二零零一年三月三十一日的總投資額則達146,000,000港元，其中109,000,000港元投資在香港的上市證券。

或然負債

本集團已向一間銀行發出若干項信貸擔保，作為一間共同控制公司獲授的信貸備用額50%的抵押。本集團按比例應佔該等信貸額約49,000,000港元。除此以外，本集團於二零零一年十二月三十一日並無任何董事會認為重大或有機會得值的或然負債或申索。

業務回顧 — 按業務類別分析

傳媒及資訊服務

星島集團

自收購星島集團後，本集團已實行幾項重大的業務計劃，逐步實現全球華人的多媒體內容供應商的目標。在過去的九個月，星島積極在現有的報章發行業務內尋找新機會，並開始開拓中國市場。首項業務是與一間北京資訊娛樂雜誌社合作，專門提供傳媒相關服務，如發行以及廣告銷售。與此同時，星島致力開拓香港雜誌市場，成立了雜誌業務部，並收購兩本雜誌的出版權 — 《東Touch》和《Teens》，大大擴闊產品組合；其嶄新的版面設計使銷量和廣告銷售收入兩方面均獲佳績。

To respond to the general market changes and economic downturn, immediate steps have been taken to reposition the flagship newspapers “Sing Tao Daily” and “Hong Kong iMail”. In particular, “Hong Kong iMail” has been repositioned into a business newspaper focusing on the Greater China region, and “Sing Tao Daily” will concentrate on meeting the information needs of the professional reader segment with particular interests in business, education and family issues. A centralized operation structure has also been planned for overseas offices so as to maximize synergistic benefits and to enhance the performance of global franchises.



A series of business consolidation and operation restructuring have also taken place during the Period to streamline the operations. The disposal of the commercial printing business further enabled Sing Tao to focus on the media operations. The consideration for the disposal is approximately HK\$428 million and the disposal was completed on 19 April 2002.

Another key development was the formation of the “Multimedia Group” to spearhead Sing Tao’s development in content aggregation and distribution business through the effective deployment of technology. One major project is the integration of Sing Tao’s content management and archive system into the Company’s InfoHub platform.

Xinhuaonline

Xinhua Online Info-tech Company Limited (“XOL”) has marked its first anniversary since the joint-venture agreement was signed in January 2001. Good progress has been made in its development as a leading value-added business information and market intelligence provider serving business communities in the Mainland and overseas markets. Media and financial industries have been identified as the key focus for product development during the first year, capturing the vast opportunities presented by the gradual opening of China’s investment door to the world. Leveraging on the extensive resources of Xinhua News Agency’s information database, distribution capability and network alliance, the Board is confident that XOL will achieve its objective and bring positive benefits to the Group.



為了適應整體的市場變化及經濟不景，星島已採取應變策略，將旗艦報章 — 《星島日報》與《Hong Kong iMail》重新定位。《Hong Kong iMail》已重新定位為一份以大中華地區為主的財經報章，而《星島日報》則會繼續專注滿足專業人士讀者群對財經、教育和家庭生活資料的需要。星島亦重整了海外業務的運作模式，集中資源，務求提高業務間的協同效益，並提升全球業務的表現。

在期間內，星島已推行了一連串的業務整頓與重組精簡措施。星島出售商業印刷業務後，將能更專注發展其傳媒業務。出售印刷業務的代價約為428,000,000港元，出售已於二零零二年四月十九日完成。

此外，多媒體業務將是集團另一發展重點，剛成立的「多媒體業務部」，將運用最新技術，帶領星島集團發展其內容整合和在資訊樞紐平台上的發行業務。首項主要業務是把星島內容管理及檔案系統融入本公司的「泛華匯訊」平台內。

新華在線

自合營企業協議於二零零一年一月簽訂後，新華在線信息技術有限公司（「新華在線」）剛好成立一週年，期間取得理想發展，致力成為中國大陸和海外市場數一數二的商業訊息及市場資訊供應商。成立首年，新華在線主力以媒體與金融業作為產品開發的重點，銳意抓緊中國逐步對外開放投資大門所湧現的商機。憑藉新華社具備豐富的訊息庫、龐大的分銷渠道及網絡聯盟，董事會有信心新華在線能發展成為現今資訊年代大媒體業務的龍頭公司，並為集團帶來可觀之回報。

The launch of “Xinhua Media Workshop” (the “Workshop”) (新華媒體工場) in November 2001 marked the first step in the provision of a wide array of value-added media information and services. The Workshop includes provision of media data and intelligence from its Media Data Center, media tracking and evaluation services by its Media Evaluation Center. The Workshop also acts as the sales and distribution agent of overseas media products and services, and offers consultancy services, supported by a pool of renowned media professionals and information organizations. During the Period, the first in-depth media report, “China Media Investment Report 2001”, was well received by the market.

XOL is developing a full range of value-added media products and services, with information and intelligence as one of the core revenue sources. In addition, media tracking and evaluation products and services will become one of the business focuses in the coming year.

XOL has developed a number of strategic partnerships with renowned international media operators. One of them is Dow Jones Newswires, who has awarded XOL the exclusive agency right to distribute its localized financial products to media companies and government organizations in China.

To keep up with the dynamics of customer demand and market development, XOL will pursue other appropriate partnerships, both locally and internationally, to exchange content and broaden product offerings. Leveraging on the worldwide network of Xinhua News Agency and the Group, XOL will actively open up overseas market to generate more revenue opportunities in the coming year.

新華在線於二零零一年十一月隆重推出「新華媒體工場」，為客戶提供多元化的增值傳媒資訊及服務，成功踏出第一步。「新華媒體工場」服務利用本身之媒體數據中心及媒體監測及評價中心，為客戶提供媒體數據及媒體監測及評價服務。此外，「新華媒體工場」亦擔當海外媒體產品的銷售及分銷代理；並在多位傳媒界知名專家和資訊機構的鼎力支持下，提供顧問服務。於期間內，新華在線發佈的第一份深入媒體諮詢報告《中國媒體投資報告2001》，廣受市場關注。

新華在線正在全力開拓各類媒體增值產品及服務，並以提供資訊及市場情報為主要收益來源；而媒體監測及評價產品服務將會成為來年的業務發展重點。

新華在線已與數間國際著名的媒體營運商締結策略夥伴關係，其中一間是道瓊斯新聞通訊社，由新華在線獨家代理向中國媒體公司和政府機構分銷經本土化後的道瓊斯金融產品。

為了緊貼市場的急劇變化及客戶之需求，新華在線將繼續在內地以至全球尋求適合的合作夥伴，交換內容及豐富產品內容。憑藉新華社與本集團遍佈全球的網絡，新華在線在來年將積極開拓海外市場，創造更多賺取收益的機會。

GCT InfoHub

In November 2001, the Group entered into an agreement with a subsidiary of EC-Founder (Holdings) Company Limited, a listed company on the Stock Exchange of Hong Kong Limited and a leading provider of advanced information technology products and services in China, to establish GCT InfoHub Limited (the "InfoHub"). The Group will own 81% stake. The principal activities of the InfoHub are to develop an end-to-end knowledge management solution that aggregates, syndicates and delivers electronic contents focusing on business and industrial news and intelligence in Greater China. The Board believes the demand for comprehensive and latest coverage on the region will increase with China's entry into WTO.



The first stage of service, delivering Chinese-language electronic content, was launched in December 2001 targeting newspaper publishers, corporate portals and research institutions. InfoHub will continue to increase service subscriptions and explore new content and technology partnerships. Development of English-language products is now underway.

BROADBAND TECHNOLOGY AND SERVICES

Beelink Information Science and Technology Co., Ltd. continues to show encouraging growth. Well-defined business development strategies have been formulated and are being implemented. Broadband access service provision remains the core business of Beelink's development, complemented by new value-added services as revenue drivers.



As at 31 December 2001, subscribers of Beelink broadband network in Jinan city, Shandong Province, have exceeded 15,000, representing a 76% growth as compared to 8,500 users in June 2001. This was a result of rigorous sales and marketing effort in new residential districts and business sectors, as well as successful penetration into developed areas that help maximize network utilization. Additional efforts have been put to pursue corporate customers with significant growth in the sector of schools and universities. Beelink continues to

泛華匯訊

於二零零一年十一月，本集團與一間香港聯合交易所有限公司上市公司兼中國頂尖的先進資訊科技產品服務供應商——方正數碼(控股)有限公司訂立協議，共同成立泛華匯訊有限公司(「泛華匯訊」)，本集團將擁有其中81%股權。泛華匯訊的主要業務為開發知識管理解決方案，搭建一個資訊樞紐平台，整合、發表和傳送以大中華地區工商新聞和消息為主的電子內容。董事會相信中國入世後，外界對中國的最新消息及全面的報道需求將會更為殷切。

首階段服務已於二零零一年十二月隆重推出，主要為報章發行商、公司入門網站及研究機構提供中文電子內容。泛華匯訊將繼續加強銷售，開拓全新內容和技術合作夥伴。而英文版產品也正在開發。

寬頻技術及服務

百靈訊息科技有限公司繼續錄得可觀增長，成績令人鼓舞。百靈已制定並實行清晰的業務策略，以寬頻接入服務為核心業務，並同時開闢全新的增值服務以增加收入。

於二零零一年十二月三十一日為止，百靈在山東省濟南市的寬頻用戶已經突破15,000名，相比於二零零一年六月時的8,500名客戶已達76%的增長。錄得如此佳績，主要是百靈在新住宅區和商業區大力推動銷售和市場推廣活動，加上成功滲入已發展的地區，大大提高網絡的用戶人數。除此以外，百靈亦積極招攬公司客戶，在學校及大學方面也取得顯著成效。百靈將繼續致力開發增值產品和服務，希望提高訂戶人數之餘，也能帶來新

develop added-value products and services to increase subscriptions and attract new revenue. New services include an education channel that offers MBA distance learning courses provided by University of Beijing and various English-learning courses for youngsters.

During the Period, four customer service centers were established and were highly successful as a subscriber recruitment channel. Nearly 30% of new subscribers were recruited at these centers which also provide customer support services such as billing, maintenance, general enquiries and training. Continual effort will be put to recruit new subscriptions with dedicated customer services and programs.

In the coming year, aggressive efforts will be made to further increase broadband access subscriptions with enhanced product and service offerings. There will be ongoing enhancements to improve network quality to better support new e-commerce applications. Moreover, system integration and software development will be the key revenue generators, riding on "Digital Jinan", a government initiative that promotes e-commerce development and adoption.

With China's entry into the WTO, Beelink will ride on the gradual opening of the technology and telecommunication sector, and pave way for the long-term development and to take the business to new heights.

SOFTWARE DEVELOPMENT

The Group's software project, Liancheng Hudong Software Co. Ltd. ("Liancheng Hudong"), one of the first Customer Relationship Management ("CRM") software providers in Beijing, has made solid progress.

Its premier product, "MyCRM", has successfully reached out to various customers in different industries. Liancheng Hudong has an extensive distribution network and has formed a number of business partnerships with reputable IT companies including Microsoft and IBM. The product has obtained quality recognition from China Software Test Center and awarded as Top Ten Application Software for



收益。已經推出市場的增值服務包括教育頻道，首個課程包括北京大學工商管理碩士遙距學位，及為年青人提供多種英語課程。

在期間內，百靈設立了四個客戶服務中心，成功作為招攬訂戶的渠道，接近30%的新用戶都是透過這些中心成功取得。客戶服務中心亦為客戶提供支援服務，例如發票、維修以及一般查詢和培訓服務。百靈將繼續努力羅致新訂戶，亦會加強本身的客戶服務與課程。

來年，百靈將會改良產品和服務種類，努力提高寬頻網絡接入用戶的人數，亦會不斷改善並提升網絡質素，為全新的電子商貿應用系統提供最佳的支援。隨著政府積極推出「數碼濟南」之計劃，促進應用電子商貿，相信系統整合和軟件開發將會是主要的收益來源。

隨著中國入世，百靈將會乘勢而起，把握逐步開放的科技和電訊業，為日後的業務發展鋪路，將業務推向另一高峰。

軟件開發

本集團的軟件項目——聯成互動軟件有限公司（「聯成互動」）是北京市第一個客戶關係管理軟件供應商，在本期間錄得穩健增長。

聯成互動的重點產品「MyCRM」在本期間已成功發展多個不同行業的客戶銷售。聯成互動擁有遼闊的分銷網絡，亦與多間世界級資訊科技公司締結業務夥伴關係，包括微軟和IBM。本產品已獲中國軟件測試中心的品質認可，並榮獲中國微軟頒發視窗2000伺服器的

Windows2000 Server by Microsoft China. With a solid business foundation in place, Liancheng Hudong will continue to pursue high-value industries with geographic focus in Beijing and Shanghai.

The Group's wholly-owned software development company in Beijing, 北京泛華匯通軟件科技有限公司, has started its operation in September and provides technical support and consultancy services to the Group's businesses.



EDUCATION AND CORPORATE TRAINING

The Group has decided to form a joint venture with one of the leading universities in China, to jointly develop and provide online education and corporate training programs. Details of the joint venture and its business strategy will be announced in due course.

TRADING BUSINESS

The Group's trading business in Nikon photographic products faced severe competition during the Period and as a result, the turnover has dropped approximately 51% when compared to the nine months' operation in the same period last year. The selling price of the photographic products was under downward pressure while marketing costs have increased. In order to maintain profit margin and competitiveness in the market, a series of cost reduction program were implemented including streamlining workflow, reducing the number of staff in Hong Kong and shifting the marketing function to the representative offices in PRC.

「十優應用軟件」。在現時穩健的業務基礎上，聯成互動將會繼續以北京和上海為基地，努力拓展高增值行業。

本集團在北京市的全資擁有軟件開發公司 — 北京泛華匯通軟件科技有限公司已在九月投入運作，主要向本集團的業務提供技術支援和顧問服務。

教育及企業培訓

本集團已確定與中國一間名大學組成合營企業，聯手開發和提供網上教育和企業培訓課程。合營企業及其業務策略詳情會在適當時候公佈。

貿易業務

本集團在期間內，尼康攝影產品的貿易業務面對非常激烈的競爭，營業額對比去年同期的九個月業績下滑約51%。攝影產品的售價面對下調壓力及市場推廣成本上升。為了保持盈利率以及在市場的競爭力，本集團已經推出一整套的節省成本計劃，包括精簡人手，削減香港的員工人數，及將市場推廣的工作轉由中國的代表辦事處負責。