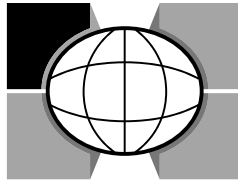


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GLOBAL CHINA TECHNOLOGY GROUP LIMITED

泛華科技集團有限公司*

(Incorporated in Bermuda with limited liability)

DIVIDEND IN SPECIE BY SING TAO HOLDINGS LIMITED AND DISCLOSEABLE TRANSACTION AND POSSIBLE PLACEMENT OF SHARES

On even date, Sing Tao Holdings announced its intention to distribute the entire issued share capital of Sing Tao Media to its shareholders by way of a special interim dividend in specie. Upon completion of the Distribution, Global China Multimedia will be interested in 312,624,443 shares in Sing Tao Media, representing approximately 74.5% of the then issued share capital of Sing Tao Media. Global China Multimedia intends to make a voluntary conditional securities exchange offer to acquire all the issued shares of Sing Tao Media (other than those as may be received by Global China Multimedia).

On 3rd July, 2002, Global China as vendor, Yao Yuan as guarantor and Ming Yuan Investments Group Limited as purchaser entered into a conditional Sale and Purchase Agreement under which Global China agreed to procure to be sold to the Purchaser 312,624,443 shares in Sing Tao Holdings representing approximately 74.5% of the issued share capital of Sing Tao Holdings for a total consideration of HK\$163,800,000, representing approximately HK\$0.524 per Sale Share.

Completion of the Sale and Purchase Agreement is subject to the fulfillment of certain conditions described below.

The transaction contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for Global China under the Listing Rules. In this regard, a circular containing further details of the transaction will be dispatched to the shareholders of Global China as soon as practicable.

On 3rd July, 2002, Global China entered into a conditional subscription agreement with each of CyberTime Limited, Concord Fortune Limited and Novel Investments (Overseas) Limited for the subscription of an aggregate of 124,500,000 new Shares, representing approximately 8.5% of the existing issued ordinary share capital of Global China and approximately 7.8% of the then issued share capital of Global China as enlarged by the Subscriptions.

DISTRIBUTION IN SPECIE BY SING TAO HOLDINGS AND POSSIBLE VOLUNTARY CONDITIONAL SECURITIES EXCHANGE OFFER

On even date, Sing Tao Holdings announced its intention to distribute the entire issued share capital of Sing Tao Media to its shareholders by way of a special interim dividend in specie. Sing Tao Media is the holding company of Sing Tao Holdings' media business. Details of the Distribution are contained in an announcement of even date issued by Sing Tao Holdings.

Other than through its approximately 74.5% equity interest in Sing Tao Holdings which currently holds the entire issued share capital of Sing Tao Media, Global China holds no shares in Sing Tao Media. Upon completion of the Distribution, Global China, through its wholly-owned subsidiary, Global China Multimedia, will be interested in 312,624,443 shares in Sing Tao Media, representing approximately 74.5% of the then issued share capital of Sing Tao Media. Global China Multimedia intends to make a voluntary conditional securities exchange offer to acquire all the issued shares of Sing Tao Media (other than those as may be received by Global China Multimedia pursuant to the Distribution). Details, including the terms and conditions of the Offer, are contained in an announcement of even date issued jointly by Global China and Global China Multimedia. Global China has no intention to spin-off Sing Tao Media in the foreseeable future after completion of the Offer.

THE SALE AND PURCHASE AGREEMENT

Date

3rd July, 2002

Parties

Vendor: Global China Technology Group Limited

Purchaser: Ming Yuan Investments Group Limited, a company incorporated in the British Virgin Islands which is beneficially owned by Yao Yuan and his family. The Purchaser and its beneficial owners are independent third parties not connected with the directors, chief executive officers or substantial shareholders of Global China or its subsidiaries or their respective associates (as defined in the Listing Rules)

Guarantor Yao Yuan

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, Global China agreed to procure the selling of and the Purchaser agreed to purchase the Sale Shares at the Consideration. The Sale Shares represent the entire indirect interest of Global China in Sing Tao Holdings. Global China will have no equity interest in Sing Tao Holdings after the completion of the Sale and Purchase Agreement.

Upon completion of the Distribution, the assets of Sing Tao Holdings shall primarily comprise non-media-related properties in Hong Kong, the People's Republic of China and Canada and cash.

Consideration

Under the Sale and Purchase Agreement, the total consideration payable by the Purchaser for the Sale Shares is HK\$163.8 million (representing approximately HK\$0.524 per Sale Share) in cash. A total deposit of HK\$16,380,000 has been made by the Purchaser by two installments on 29th May, 2002 and 3rd July, 2002 respectively and the remaining consideration of HK\$147,420,000 will be paid by the Purchaser to Global China in one lump sum at completion. The Consideration has been arrived at after arm's length negotiations between the parties by reference to the net asset value of Sing Tao Holdings assuming the Distribution being completed. The sale price of approximately HK\$0.524 per Sale Share represents a discount of approximately 46.0% to the closing price of HK\$0.97 per ST Share as quoted on the Stock Exchange on 3rd July, 2002 (being the last day of trading in the ST Shares on the Stock Exchange prior to the release of this announcement), a discount of approximately 51.9% to the average closing price of approximately HK\$1.089 per ST Share for the 10 trading days up to and including 3rd July, 2002 and a discount of approximately 70.9% to the net tangible asset value of HK\$1.80 per ST Share as at 31st December, 2001.

Conditions

Completion of the Sale and Purchase Agreement is subject to the following:

- (i) the shareholders of Sing Tao Holdings passing at a duly convened special general meeting such resolutions as may be necessary to implement the Distribution;
- (ii) completion of the Distribution;
- (iii) the current listing of the ST Shares not having been withdrawn and the ST Shares continuing to be traded on the Stock Exchange; and
- (iv) there being no event existing or having occurred and no condition being in existence which would constitute a material breach of the warranties by Global China.

Save and except for condition (ii) which cannot be waived, the Purchaser may waive any of the conditions at any time by notice in writing to Global China. In the event that the aforesaid conditions are not fulfilled or waived on or before 30th September, 2002 (or such later date as the parties may agree in writing), the Sale and Purchase Agreement shall be null and void and of no further effect and no party to the Sale and Purchase Agreement shall have further obligation and liability to any other party.

Expected completion date

Completion of the Sale and Purchase Agreement is subject to the fulfilment of certain conditions precedent, amongst which is the completion of the Distribution. Completion will take place following the completion of all the conditions, or such other date as the parties may agree in writing and is expected to be on or around 16th August, 2002.

INFORMATION ON SING TAO HOLDINGS

Sing Tao Holdings is an exempted company incorporated in Bermuda, the shares of which are listed on the Stock Exchange. Sing Tao Holdings has an authorised share capital of HK\$150,000,000 divided into 600,000,000 ST Shares of which 419,619,246 ST Shares have been issued and fully paid. The Sale Shares represent approximately 74.5% of the issued share capital of Sing Tao Holdings.

INFORMATION ON SING TAO MEDIA

Sing Tao Media is a company incorporated in the Cayman Islands and is a wholly-owned subsidiary of Sing Tao Holdings, and is principally engaged in the publishing of newspapers and magazines and media consultancy services. Sing Tao Media publishes Sing Tao Daily, The Standard, East Touch and Teens. The issued shares of Sing Tao Media are not listed on any stock exchange and Sing Tao Media has never issued any warrants or other derivatives convertible into shares of Sing Tao Media since the date of its incorporation.

REASONS FOR THE TRANSACTION AND USE OF PROCEEDS

Global China is principally engaged in (i) media and information services, (ii) human capital management which comprises the provision of on-line and off-line corporate training, recruitment services and human resources management solutions and (iii) broadband technology and services. The integration of the Group's media and information services with Sing Tao Media would enable Sing Tao Media to leverage on the Group's multimedia platform, thereby facilitating Sing Tao Media to achieve its aim of becoming one of the leading multimedia content providers and aggregators serving global Chinese communities. Given the properties under Sing Tao Holdings are unrelated to the Group's core business, divesting the same will allow the Group to focus on, amongst other things, the development of the media and information services.

The cash proceeds from the present transaction of approximately HK\$163.8 million (before expenses), will provide additional resources for the development and expansion of the Group's core businesses. At present, the directors of Global China have not identified any immediate investment opportunities and intend to place the cash proceeds temporarily with banks as fixed deposits.

INFORMATION ON THE PURCHASER

Global China is informed by the Purchaser that the Purchaser is a private company incorporated in the British Virgin Islands with limited liability. The issued share capital of the Purchaser is beneficially owned by Yao Yuan and his family. Yao Yuan, aged 47, is currently the executive president of the Purchaser and will be appointed as the executive director of Sing Tao Holdings. Mr. Yao holds a bachelor's degree of law in Shanghai.

POSSIBLE CONVERSION

It is the intention of Luckman Trading Limited to exercise its right to convert the Preference Shares into Shares in the ratio of one Share for every Preference Share at a conversion price of HK\$0.6388 per Share, subject to and conditional upon the completion of all the relevant Subscriptions. The shareholding effect of the Conversion is detailed in the table below.

An application will be made to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong for the possible Conversion pursuant to Rule 21.3 of the Codes on Takeovers and Mergers and Share Repurchases.

POSSIBLE PLACEMENT OF SHARES

SUBSCRIPTION AGREEMENTS EACH DATED 3RD JULY, 2002

Subscribers: CyberTime Limited, Concord Fortune Limited and Novel Investments (Overseas) Limited of which their respective ultimate beneficial owners do not hold any Shares before the completion of the Subscriptions

Number of new Shares to be subscribed by each subscriber: 41,500,000 each
In the aggregate of 124,500,000 new Shares, representing about 8.5% of the existing ordinary issued share capital of Global China of 1,470,345,273 Shares and about 7.8% of the then ordinary issued share capital of Global China as enlarged by the Subscriptions

Subscription price: HK\$0.6388 per new Share settled by cash

All of the subscribers and their ultimate beneficial owners are independent third parties, neither of them are connected with or being parties acting in concert with any member of the Group, the directors, chief executives or substantial shareholders of any member of the Group, the Purchaser or its beneficial owners or any of their respective associates (as defined in the Listing Rules). The subscribers and their respective ultimate beneficial owners are independent third parties as among themselves, neither of them are connected with or being parties acting in concert with each other.

The subscription price was agreed after arm's length negotiations between Global China and each of the subscribers and represents:

- (i) a premium of approximately 38.9% to the closing price of HK\$0.46 per Share as quoted on the Stock Exchange on 3rd July, 2002 (being the last day of trading in the Shares on the Stock Exchange prior to the release of this announcement);
- (ii) a premium of approximately 50.7% to the average closing price of HK\$0.424 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 3rd July, 2002; and
- (iii) a premium of approximately 6.5% to the net tangible asset value per Share of HK\$0.60 as at 31st December, 2001.

The subscription price was determined after arm's length negotiations between Global China and the subscribers after having taken into account various factors including the net asset value of Global China and the directors of Global China believe that the Subscriptions are in the best interests of Global China and its shareholders as a whole.

Set out below is a summary of the audited results of Global China for the twelve months ended 31st March, 2001 and the nine months ended 31st December, 2001:

	For the 12 months ended 31st March, 2001* <i>(HK\$ million)</i>	For the 9 months ended 31st December, 2001* <i>(HK\$ million)</i>
Net loss before taxation and extraordinary items	236.5	135.1
Net loss after taxation and extraordinary items	250.9	154.0
Net loss attributable to shareholders	245.2	131.4
Consolidated net tangible asset	954.3	877.5
Consolidated net tangible asset per Share	HK\$0.71	HK\$0.60

* The financial year end of Global China has been changed from 31st March to 31st December during the last financial period

Conditions of the Subscriptions

The Subscriptions are conditional upon the following conditions being fulfilled on or before the date which is the 120th day following the date of the relevant subscription agreement (or such later date as may be agreed between the relevant subscribers and Global China). None of the conditions may be waived and if any of the following conditions may not be fulfilled by the said date, the relevant subscription agreements will lapse:

- (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the relevant Subscription Shares;
- (ii) the Bermuda Monetary Authority granting approval for the issue of the relevant Subscription Shares, if required;
- (iii) the completion of the Distribution; and
- (iv) the shareholders of Global China passing the necessary resolutions approving the transactions contemplated under the relevant subscription agreement including the allotment and issue of the relevant Subscription Shares.

Completion of the Subscriptions

Completion shall take place on or before the second Business Day following the date on which all the abovementioned conditions are fulfilled (or such later date as the parties may otherwise agree).

Application to the Executive

An application will be made to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong in respect of the restriction on dealings by the offeror during non-cash offer pursuant to Rule 21.3 of the Codes on Takeovers and Mergers and Share Repurchases.

Mandate to Issue New Shares

The Subscription Shares, together with the new Shares to be issued pursuant to the Offer, will exceed the general mandate granted to the directors at the annual general meeting of Global China held on 28th May, 2002. Global China intends to convene a shareholders' meeting to seek shareholders' approval to approve the allotment and issue of the Subscription Shares.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares including the right to any dividends or distributions.

Reasons for the Subscriptions and Use of Proceeds

The directors of Global China are of the view that the Subscriptions will enlarge the shareholder base and the capital base of Global China and will strengthen the financial position of the Group.

Global China intends to use the net proceeds from the Subscriptions of approximately HK\$79.5 million as the Group's general working capital. At present, the directors of Global China have not identified any immediate investment opportunities and intend to place the cash proceeds temporarily with banks as fixed deposits.

Application for Listing

Global China will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

SUBSTANTIAL SHAREHOLDERS AND CHANGE OF SHAREHOLDING

As at the date of this announcement, the following interests of 10% or more in the issued share capital of Global China were recorded in the register of interests required to be kept by Global China pursuant to Section 16(1) of the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong).

Name	Number of Shares held as at the date of this announcement	% of the existing issued share capital (approximate)
Luckman Trading Limited (<i>note 1</i>)	739,396,000	50.3%
Stagelight Group Limited (<i>note 2</i>)	163,919,000	11.2%

Note 1: Luckman Trading Limited is a company incorporated in the British Virgin Islands with limited liability, whose entire issued share capital is wholly and beneficially owned by Mr. Ho Tsu Kwok, Charles, the Chairman of Global China.

Note 2: Stagelight Group Limited is a company incorporated in the British Virgin Islands with limited liability, whose entire issued share capital is wholly and beneficially owned by Fine Garden Group Limited, which is in turn wholly and beneficially owned by Mrs. Sy Wong Chor Fong, being an executive director of Global China, and her family members. The said 163,919,000 Shares include the 1,250,000 Shares held in the name of Mrs. Sy Wong Chor Fong.

The change of the shareholding in Global China as a result of the Subscriptions, the Conversion and the Offer is also detailed as follows:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Name of Shareholders	Number of Shares held as at the date of this announcement	% of the existing issued share capital (approximate)	Number of Shares held immediately after the completion of the Subscriptions	% of the issued share capital as enlarged by the Subscriptions (approximate)	Number of Shares held immediately after the completion of the Subscriptions and the Conversion	% of the issued share capital after the completion of the Subscriptions and the Conversion (approximate)	Number of Shares held immediately after the completion of the Subscriptions, the Conversion and the Offer	% of the issued share capital after the completion of the Subscriptions, the Conversion and the Offer (approximate)
Luckman Trading Limited and parties acting in concert with it (<i>note 1</i>)	739,396,000	50.3	739,396,000	46.4	775,396,000	47.5	777,895,000 (<i>note 4</i>)	42.8
Stagelight Group Limited and parties acting in concert with it (<i>note 2</i>)	163,919,000	11.2	163,919,000	10.3	163,919,000	10.1	163,919,000	9.0
Directors (<i>note 3</i>)	286,000	0.0	286,000	0.0	286,000	0.0	286,000	0.0
Public	566,744,273	38.5	691,244,273	43.3	691,244,273	42.4	875,986,178	48.2
Total	<u>1,470,345,273</u>	<u>100.0</u>	<u>1,594,845,273</u>	<u>100.0</u>	<u>1,630,845,273</u>	<u>100.0</u>	<u>1,818,086,178</u> (<i>note 5</i>)	<u>100.0</u>

Note 1: Luckman Trading Limited is a company incorporated in the British Virgin Islands with limited liability, whose entire issued share capital is wholly and beneficially owned by Mr. Ho Tsu Kwok, Charles, the Chairman of Global China.

Note 2: Stagelight Group Limited is a company incorporated in the British Virgin Islands with limited liability, whose entire issued share capital is wholly and beneficially owned by Fine Garden Group Limited, which is in turn wholly and beneficially owned by Mrs. Sy Wong Chor Fong, being an executive director of Global China, and her family members. The said 163,919,000 Shares include the 1,250,000 Shares held in the name of Mrs. Sy Wong Chor Fong.

- Note 3:* The column only sets out 186,000 and 100,000 Shares respectively held by Mr. Wong Wai Ming and Ms. Inn Judy. The personal interests of the other directors, i.e. Mr. Ho Tsu Kwok, Charles and Mrs. Sy Wong Chor Fong have been included in those interests of Luckman Trading Limited and Stagelight Group Limited respectively.
- Note 4:* Mr. Ho Tsu Kwok, Charles personally holds 1,428,000 shares in Sing Tao Holdings and the said 777,895,000 Shares as stated in column 8 includes the 2,499,000 Shares to be received by Mr. Ho Tsu Kwok, Charles pursuant to the Offer. Mr. Ho Tsu Kwok, Charles shall be deemed to be interested in 777,895,000 Shares after the completion of the Subscriptions, the Offer and the Conversion.
- Note 5:* The 1,818,086,178 Shares are arrived at on the basis that all shareholders of Sing Tao Media will accept the Offer.

GENERAL

The transaction contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction for Global China under the Listing Rules. Global China holds approximately 74.5% shareholding in Sing Tao Holdings through its wholly-owned subsidiary. In this regard, a circular containing further information as required under the Listing Rules will be sent to the shareholders of Global China as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the meanings as set out below unless the context requires otherwise.

“Business Day”	any day on which banks in Hong Kong are generally open for business, except Saturday
“Consideration”	HK\$163,800,000
“Conversion”	the conversion by Luckman Trading Limited of the Preference Shares into ordinary shares in the capital of Global China in the ratio of one ordinary share for every Preference Share
“Distribution”	the conditional payment of a special interim dividend by Sing Tao Holdings to be satisfied by a distribution in specie of the entire issued share capital of Sing Tao Media to the shareholders of Sing Tao Holdings
“Global China”	Global China Technology Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Global China Multimedia”	Global China Multimedia Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Global China
“Group”	Global China and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the voluntary conditional securities exchange offer by Global China Corporate Finance Limited on behalf of Global China Multimedia to acquire the shares in Sing Tao Media, other than those shares in Sing Tao Media as may be received by Global China Multimedia pursuant to the Distribution
“Preference Shares”	the 36,000,000 convertible preference shares in the capital of Global China held by Luckman Trading Limited to be converted into ordinary Shares in Global China pursuant to the Conversion
“Purchaser”	Ming Yuan Investments Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 3rd July, 2002 entered into between, amongst others, Global China and the Purchaser for the sale and purchase of the Sale Shares
“Sale Shares”	312,624,443 ST Shares, representing approximately 74.5% of the issued share capital of Sing Tao Holdings
“Shares”	shares of HK\$0.10 each in the ordinary share capital of Global China
“Sing Tao Holdings”	Sing Tao Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Sing Tao Media”	Sing Tao Media Holdings Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of Sing Tao Holdings
“ST Shares”	shares of HK\$0.25 each in the capital of Sing Tao Holdings
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	124,500,000 new Shares to be issued pursuant to the Subscriptions

“Subscriptions”

the subscription of an aggregate of 124,500,000 new Shares by CyberTime Limited, Concord Fortune Limited, and Novel Investments (Overseas) Limited

By Order of the Board of
Global China Technology Group Limited
Ho Tsu Kwok, Charles
Chairman

Hong Kong, 11th July, 2002

The directors of Global China accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of the statements in this announcement misleading.

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.