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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)



GLOBAL CHINA MULTIMEDIA LIMITED

(Incorporated in the British Virgin Islands with limited liability)

**POSSIBLE VOLUNTARY CONDITIONAL SECURITIES EXCHANGE OFFER
BY GLOBAL CHINA CORPORATE FINANCE LIMITED ON BEHALF OF THE OFFEROR,
A WHOLLY-OWNED SUBSIDIARY OF GLOBAL CHINA TECHNOLOGY GROUP LIMITED
TO ACQUIRE THE ENTIRE ISSUED SHARE CAPITAL OF SING TAO MEDIA HOLDINGS LIMITED,
OTHER THAN THOSE AS MAY BE HELD BY THE OFFEROR**

AND

**A DISCLOSEABLE TRANSACTION FOR
GLOBAL CHINA TECHNOLOGY GROUP LIMITED**

The Offeror announces that it intends to make a voluntary conditional securities exchange offer to be made by Global China Corporate Finance Limited on its behalf to acquire all the issued STM Shares, other than those STM Shares as may be received by the Offeror pursuant to the Distribution subject to certain conditions being satisfied. It is currently proposed that the Offer will be made on the basis that for each STM Share, 1.75 New GCT Shares will be issued and allotted to the holders of STM Shares. The making of the Offer is subject to the following Pre-conditions:

1. the shareholders of Sing Tao Holdings passing at a duly convened special general meeting such resolutions as may necessary to implement the Distribution;
2. the completion of the Distribution; and
3. the completion of the Sale and Purchase Agreement.

The STM Shares will be acquired by the Offeror fully paid and free from all liens, equities, charges and encumbrances and together with all rights now and hereafter attaching thereto, including the right to receive and retain all dividends and other distributions declared, made or paid hereafter.

A Composite Offer Document setting out the details of the Offer and attaching therewith the acceptance and transfer forms will be sent to the holders of STM Shares in accordance with the Takeovers Code.

WARNING: THE OFFER IS A POSSIBILITY ONLY. The Offeror will only make the Offer if the Pre-conditions are fulfilled. As the Offer may or may not proceed, investors are urged to exercise extreme caution when dealing in the shares of Sing Tao Holdings and Global China.

Trading in the shares in Global China and Sing Tao Holdings on the Stock Exchange were suspended with effect from 9:30am on 4th July, 2002 at the request of respectively Global China and Sing Tao Holdings. Respective applications have been made to the Stock Exchange for the resumption of the trading in the shares in Global China and Sing Tao Holdings with effect from 9:30am on 12th July, 2002.

INTRODUCTION

The Offeror refers to the announcement of even date issued by Sing Tao Holdings whereby the board of directors of Sing Tao Holdings announced its intention to convene a board meeting to consider and, if appropriate, to approve, the Distribution subject to the necessary approval from the shareholders of Sing Tao Holdings being obtained. It was also announced in an announcement of even date by Global China that Global China as vendor, Ming Yuan as purchaser, and Yao Yuan as guarantor entered into the Sale and Purchase Agreement in respect of 312,624,443 shares representing approximately 74.5% of the issued share capital of Sing Tao Holdings on 3rd July, 2002, completion of which is to take place upon the fulfillment of certain conditions precedent, amongst which is the completion of the Distribution. Ming Yuan, and its beneficial owners, Yao Yuan and his family, are all independent third parties not connected with the directors, chief executives or substantial shareholders of Global China, or any of its subsidiaries or their respective associates (as defined in the Listing Rules).

Pursuant to the Distribution, STM Shares will be distributed to the shareholders of Sing Tao Holdings, which include the Offeror as the Offeror currently holds the aforesaid 312,624,443 shares in Sing Tao Holdings, by way of a special interim dividend in specie. Upon completion of the Distribution, the Offeror will be interested in 312,624,443 STM Shares, representing approximately 74.5% of the then issued share capital of Sing Tao Media. In view of the fact that STM Shares are not listed on any stock exchange, the Offeror, as a means to provide the liquidity in the shares to be received by the shareholders of Sing Tao Holdings, intends to make a voluntary conditional securities exchange offer which is to be made by Global China Corporate Finance Limited on its behalf to acquire all the issued STM Shares (other than those STM Shares as may be received by the Offeror pursuant to the Distribution), subject to the Pre-conditions being satisfied.

TERMS OF THE OFFER

Subject to the Pre-conditions being satisfied, the Offeror intends to extend an offer to all holders of STM Shares following the Distribution to acquire all the STM Shares, other than those as may be received by the Offeror pursuant to the Distribution. The 106,994,803 STM Shares (subject to the adjustment as described below) will be acquired by the Offeror fully paid and free from all liens, equities, charges and encumbrances and together with all rights now and hereafter attaching thereto, including the right to

receive and retain all dividends and other distributions declared, made or paid hereafter. It is currently proposed that the Offer will be made on the following basis:

For each STM Share 1.75 New GCT Shares

Number of STM Shares under the Offer 106,994,803 or such other number of STM Shares
as shall correspond to the number of the issued shares
of Sing Tao Holdings as at the Record Date

Nature of STM Shares

The STM Shares to be distributed to the shareholders of Sing Tao Holdings pursuant to the Distribution are shares of an unlisted Cayman Islands company and will not be readily tradable on an open market. Any transfer of such STM Shares will be regulated pursuant to the memorandum and articles of association of Sing Tao Media and the rights of the shareholders of Sing Tao Media will primarily be governed by the Companies Law.

Highest and Lowest Prices

During the six-month period preceding the date of this announcement, the highest closing price of GCT Shares as quoted on the Stock Exchange was HK\$0.55 each on 6th June, 2002 and the lowest closing price of GCT Shares as quoted on the Stock Exchange was HK\$0.265 each on 8th February, 4th March and 5th March, 2002, whereas the average closing price of GCT Shares during such six-month period as quoted on the Stock Exchange was HK\$0.353.

Total Consideration

On the basis of the subscription price of HK\$0.6388 per new GCT Share pursuant to the Placing and the proposed offer of 1.75 New GCT Shares for each STM Share, the entire issued share capital of Sing Tao Media was valued at approximately HK\$469.1 million whereas each STM Share was valued at approximately HK\$1.12. The consideration for the Offer based on the aforesaid subscription price of HK\$0.6388 per GCT Share and the number of new GCT Shares to be issued thereunder will amount to HK\$119.6 million. The valuation of Sing Tao Media was arrived at after taking into account various factors which include the proforma net asset value of Sing Tao Media as at 31st December, 2001. The subscription price of HK\$0.6388 per GCT Share was set with reference to the subscription price under the Placing. The said subscription price of HK\$0.6388 represents a premium of 38.9% to the closing price of GCT Shares as quoted on the Stock Exchange on the date immediately preceding the date of this announcement of HK\$0.46 and a premium of 6.5% to the audited net tangible assets value per GCT Share of HK\$0.60 as at 31st December, 2001. In addition, the said subscription price of HK\$0.6388 also represents a premium of 50.7% to the average closing price of GCT Shares as quoted on the Stock Exchange on the 10 trading days immediately preceding the date of this announcement of HK\$0.424.

The GCT Shares

On the basis that all holders of 106,994,803 STM Shares (subject to the adjustment as described above) accept the Offer, the maximum number of the New GCT Shares to be issued shall amount to approximately

187,240,905 GCT Shares, representing approximately 12.7% of the existing share capital of Global China and 11.3% of the enlarged share capital of Global China of 1,657,586,178 GCT Shares only taking into account the number of GCT Shares to be allotted and issued pursuant to the Offer. The New GCT Shares will be issued under the general mandate granted to the directors of Global China at the general meeting held on 28th May, 2002. The New GCT Shares will be allotted and issued credited as fully paid and rank pari passu in all respects with the then existing issued GCT Shares. An application will be made to the Stock Exchange for the listing of and permission to deal in the New GCT Shares to be issued pursuant to the Offer. In addition, an application will also be made to the Bermuda Monetary Authority (if required) in connection with the issue of the New GCT Shares pursuant to the Offer.

CONDITIONS OF THE OFFER

The making of the Offer is conditional on the satisfaction of the following Pre-conditions:

- (i) the shareholders of Sing Tao Holdings passing at a duly convened special general meeting such resolutions as may necessary to implement the Distribution;
- (ii) the completion of the Distribution; and
- (iii) the completion of the Sale and Purchase Agreement.

If any of the Pre-conditions is not satisfied or waived (in respect of Pre-condition (iii) only) by 31st December, 2002, the Offer will not be made. In that case, the Offeror and Global China will jointly issue a press announcement as soon as practicable thereafter.

If the Pre-conditions are satisfied on or before 31st December, 2002, the holders of the STM Shares will be notified by a press announcement as soon as practicable thereafter in accordance with the Takeovers Code.

OFFER DOCUMENT

A Composite Offer Document setting out the details of the Offer and the advice of the independent board committee and independent financial adviser and attaching therewith the acceptance and transfer forms will be sent to the holders of STM Shares before the later of the 35th day following the date of this announcement and the 7th day after the Pre-conditions are satisfied (or such later date as the Executive may, at the request of the Offeror and Global China, consent to). In this connection, Kingsway Capital Limited has been appointed as the independent financial adviser to Sing Tao Media.

OVERSEAS SHAREHOLDERS

The Offeror intends to make available the Offer to all holders of STM Shares, including those with registered addresses, as shown on the register of members of Sing Tao Holdings on the Record Date, are outside Hong Kong. The making of the Offer to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdictions. It is the responsibility of any overseas holders wishing to accept the Offer as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents

which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. The Offer will extend, to the extent required by law, to those persons not resident in Hong Kong to whom the Composite Offer Document may not be despatched or by whom such documents may not be received under the laws of the relevant jurisdiction. The Offeror reserves the right to make special arrangements regarding the terms of the Offer in relation to holders of STM Shares having an overseas address. In addition, the Offeror also reserves the right to notify any matter, including the making of the Offer, to the holders of STM Shares having registered overseas address by announcement or by advertisement in a newspaper which may not be circulated in the jurisdiction of which such shareholders are resident. The notice will be deemed to have been sufficiently given, despite any failure by such shareholders to receive or see that notice.

An application will be made to the Executive to exclude overseas shareholders from receiving the Composite Offer Document pursuant to Note 3 to Rule 8.6 of the Takeovers Code. However, the Executive will normally not grant such a waiver unless the Executive is satisfied that it would be unduly burdensome to do so in such overseas jurisdiction.

COMPULSORY ACQUISITION

If acceptances are received for not less than 90% in value of the STM Shares in respect of which the Offer is made, it is the intention of the Offeror that it may avail itself of the acquisition provisions under the Companies Law to acquire the outstanding STM Shares not owned by it. For that purpose, the Offeror must serve a notice of intention to acquire the relevant STM Shares in the prescribed manner under section 88 of the Companies Law on such holders to indicate its desire to acquire their STM Shares. Subject to the terms of the Companies Law, the Offeror as a transferee company shall be entitled and bound to acquire those STM Shares on the same terms as the Offer. In the event that the compulsory acquisition is not effected, Sing Tao Media will remain subject to the Takeovers Code.

INTENTION OF THE OFFEROR

The Offeror and Global China do not have any intention to spin-off Sing Tao Media in the foreseeable future after completion of the Offer. Global China intends to achieve more synergies between its media-related assets and Sing Tao Media with an aim to developing Sing Tao Media into one of the leading multimedia content providers and aggregators serving global Chinese communities.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Global China. The Offeror as at the date of this announcement holds approximately 74.5% of the issued share capital of Sing Tao Holdings.

INFORMATION ON GLOBAL CHINA

Global China and its subsidiaries are 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, human resources management solutions and (iii) broadband technology and services.

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 (HK\$ million)	For the 9 months ended 31st December, 2001 (HK\$ million)
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.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7) % of the issued share capital after the completion of the Placing and the Conversion (approximate)	(8) No of Shares held immediately after the completion of the Placing, the Conversion and the Offer	(9) % of the issued share capital after the completion of the Placing, the Conversion and the Offer (approximate)
Name of Shareholders	Number of GCT 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 Placing	% of the issued share capital as enlarged by the Placing (approximate)	Number of Shares held immediately after the completion of the Placing and the Conversion			
Luckman Trading Limited and parties acting in concert with it (note 1)	739,396,000	50.3%	739,396,000	46.4%	775,396,000	47.5%	777,895,000 (note 4)	42.8%
Stagelight Group Limited and parties acting in concert with it (note 2)	163,919,000	11.2%	163,919,000	10.3%	163,919,000	10.1%	163,919,000	9.0%
Directors (note 3)	286,000	0.0%	286,000	0.0%	286,000	0.0%	286,000 (note 4)	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> (note 5)	<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 the board of directors 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 GCT Shares include the 1,250,000 GCT Shares held in the name of Mrs. Sy Wong Chor Fong.
- Note 3:* the column only sets out 186,000 and 100,000 GCT 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 GCT Shares stated in column 8 includes the 2,499,000 GCT 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 GCT Shares after the completion of the Placing, the Conversion and the Offer.
- Note 5:* The 1,818,086,178 GCT Shares are arrived at on the basis that all shareholders of Sing Tao Media will accept the Offer.

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. STM Shares are not listed on any stock exchange. Sing Tao Media has never issued any warrants or other derivatives convertible into STM Shares since the date of its incorporation.

There have not been any dealings in the STM Shares by Global China and its concert parties in the past 6 months preceding the date of this announcement.

Save and except for the Distribution, there exists no arrangement in relation to the shares of Global China and Sing Tao Media which might be material to the Offer.

GENERAL

The directors of Sing Tao Media will form an independent committee of the board to advise the shareholders in respect of the Offer. Such shareholders are advised not to take any action in connection with the Offer until they have received the advice from the independent committee of the board. Kingsway Capital Limited has been appointed as an independent financial adviser to advise the independent committee of the board.

Trading in the shares in Global China and Sing Tao Holdings on the Stock Exchange were suspended with effect from 9:30am on 4th July, 2002 at the request of respectively Global China and Sing Tao Holdings. Respective applications have been made to the Stock Exchange for the resumption of the

trading in the shares in Global China and Sing Tao Holdings with effect from 9:30am on 12th July, 2002.

WARNING: THE OFFER IS A POSSIBILITY ONLY. The Offeror will only make the Offer if the Pre-conditions to the Offer are fulfilled. Investors are urged to exercise extreme caution when dealing in the shares of Global China and Sing Tao Holdings.

DEFINITIONS

In this announcement, except where the context otherwise requires, the following expressions have the following meanings:

“Companies Law”	the Companies Law (2001 2nd Revision) of the Cayman Islands
“Composite Offer Document”	the offer document to be issued by the Offeror and Sing Tao Media under the Takeovers Code containing details of the Offer and attaching therewith the forms of acceptances and transfer in respect of the Offer
“Conversion”	the conversion by Luckman Trading Limited of 36,000,000 convertible preference shares in the capital of Global China into GCT Shares in the ratio of one GCT Share for every convertible 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
“Executive”	Executive Director of the Corporate Finance Division of the Securities and Futures Commission, or any delegate of the Executive Director
“GCT Share(s)”	share(s) of HK\$0.10 each in the ordinary share capital of Global China
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Ming Yuan”	Ming Yuan Investments Group Limited, a company incorporated in the British Virgin Islands beneficially owned by Yao Yuan and his family
“New GCT Share(s)”	the new GCT Share(s) proposed to be issued by Global China, credited as fully paid pursuant to the Offer
“Offer”	the voluntary conditional securities exchange offer by Global China Corporate Finance Limited on behalf of the Offeror to acquire the STM

Shares, other than those STM Shares as may be received by the Offeror pursuant to the Distribution

“Offeror”	Global China Multimedia Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Global China
“Pre-conditions”	the conditions precedent to making of the Offer as more particularly described in the paragraph headed “Conditions of the Offer”
“Placing”	the conditional placing by Global China of an aggregate of 124,500,000 new GCT Shares to CyberTime Limited, Concord Fortune Limited and Novel Investments (Overseas) Limited, the particulars of which are contained in the announcement of even date by Global China
“Record Date”	31st July, 2002 or such other date as Sing Tao Holdings may determine, being the record date for ascertaining the entitlement of its shareholders to participate in the Distribution
“Sale and Purchase Agreement”	the sale and purchase agreement dated 3rd July, 2002 entered into between Global China, Ming Yuan and Yao Yuan under which Ming Yuan agreed to purchase, and Global China agreed to procure to be sold, 312,624,443 shares representing approximately 74.5% of the issued share capital of Sing Tao Holdings
“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 and a wholly-owned subsidiary of Sing Tao Holdings
“STM Share(s)”	share(s) of HK\$0.01 each in an ordinary share capital of Sing Tao Media
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases as in force in Hong Kong from time to time

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

By order of the Board
Global China Multimedia Limited
Wong Wai Ming
Chairman

Hong Kong, 11th July, 2002

The Directors of Global China and the Offeror, respectively, jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all

reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are not other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification purpose only*

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