



GLOBAL CHINA TECHNOLOGY GROUP LIMITED

泛華科技集團有限公司*

(incorporated in Bermuda with limited liability)

ANNOUNCEMENT

POSSIBLE UNCONDITIONAL CASH OFFER BY



**GOLDMAN SACHS (ASIA) L.L.C.
ON BEHALF OF**

**GLOBAL CHINA MULTIMEDIA LIMITED
A WHOLLY-OWNED SUBSIDIARY OF GLOBAL CHINA TECHNOLOGY GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
HK\$0.25 EACH IN SING TAO HOLDINGS LIMITED
OTHER THAN THOSE ALREADY OWNED
BY GLOBAL CHINA MULTIMEDIA LIMITED AND PARTIES ACTING
IN CONCERT WITH IT
AND
MAJOR TRANSACTION**

On 7 January 2001, the Offeror, a wholly-owned subsidiary of Global China, entered into a conditional sale and purchase agreement to acquire from the Vendor 215,503,763 Sing Tao Shares, representing approximately 51.36 per cent. of the issued share capital of Sing Tao at a consideration of HK\$355,581,208.95, or HK\$1.65 per share.

Under Rule 26 of the Code, upon Completion, Global China is obliged to make an unconditional general offer for all the issued Sing Tao Shares other than those already owned by the Offeror or parties acting in concert with it at HK\$1.65 per Sing Tao Share.

The Offeror will dispatch a formal offer document setting out the terms and other details of the Offer, together with acceptance and transfer forms after the Sale and Purchase Agreement becomes unconditional within 21 days of this announcement or such later date as may be agreed by the takeovers and mergers executive of the SFC.

Shareholders of Sing Tao and investors should note that the Offer is a possibility only. It will only be made if the Sale and Purchase Agreement becomes unconditional.

It is the intention of Global China to maintain the listing of Sing Tao upon Completion.

The Transaction will constitute a major transaction for Global China under the Listing Rules. Mr. Charles Ho Tsu Kwok and Mrs. Sy Wong Chor Fong, a closely allied group of shareholders, who hold 45.4 per cent. and 12.3 per cent. respectively in nominal value of the issued share capital of Global China, have tendered their irrevocable written approvals of the Transaction pursuant to paragraph 14.10 of the Listing Rules on 7 January 2001 in lieu of a resolution to be passed at a shareholders meeting of Global China. A circular containing, among other things, further information on the Transaction, will be dispatched to the shareholders of Global China as soon as practicable.

Trading in Global China Shares on the Stock Exchange was suspended at the request of Global China with effect from 10:00 a.m. on 8 January 2001 pending release of this Announcement. Application has been made by Global China for the resumption of trading in Global China Shares with effect from 10:00 a.m. on 9 January 2001.

INTRODUCTION

On 7 January 2001, the Offeror entered into the Sale and Purchase Agreement to acquire from the Vendor 215,503,763 Sing Tao Shares, representing approximately 51.36 per cent. of the existing issued share capital of Sing Tao at a consideration of HK\$355,581,208.95, or HK\$1.65 per share.

The Sale and Purchase Agreement will be completed two business days after the date on which it becomes unconditional. Under Rule 26 of the Code, once the Sale and Purchase Agreement becomes unconditional, the Offeror is required to make an unconditional cash offer for all Sing Tao Shares not already beneficially owned by the Offeror and parties acting in concert with it. The terms of the Offer are set out under section headed "POSSIBLE UNCONDITIONAL CASH OFFER".

The Vendor and its controlling shareholder(s) are independent of and not connected with the chief executive, directors and substantial shareholders of Global China and its subsidiaries and/or its respective associates.

THE SALE AND PURCHASE AGREEMENT

Date of the Sale and Purchase Agreement: 7 January 2001

Parties:

Vendor: Astral Light Investments Limited

Purchaser: Global China Multimedia Limited

Guarantor (in respect of Purchaser): Global China Technology Group Limited

Sing Tao Shares to be acquired

The Offeror will acquire 215,503,763 ordinary shares of HK\$0.25 each in Sing Tao, a company incorporated in Bermuda, representing approximately 51.36 per cent. of the issued share capital of Sing Tao.

Purchase Price

The consideration of HK\$355,581,208.95 for the Sing Tao Shares was determined after arm's length negotiations and represents a price of HK\$1.65 per Sing Tao Share.

Payment Terms

A deposit of 10 per cent. of the purchase price was paid by the Offeror to the Vendor upon the signing of the Sale and Purchase Agreement. The balance of the purchase price will be paid in cash upon Completion.

If the Offeror fails to complete the purchase of the Sing Tao Shares by the Termination Date for any reason other than default on the part of the Vendor and/or Sing Tao, the Vendor shall be entitled by written notice to the Offeror, on or after 5:00 p.m. on the Termination Date, to forfeit the deposit and terminate the Sale and Purchase Agreement.

If the sale and purchase of the Sing Tao Shares pursuant to the Sale and Purchase Agreement fails to be completed by the Termination Date by reason only of default on the part of the Vendor and/or Sing Tao, the Offeror may terminate the Sale and Purchase Agreement at any time after 5.00 p.m. on the Termination Date, in which case the Vendor shall be obliged to refund the deposit to the Offeror with interest at the rate of five per cent. per annum.

Condition of the Sale and Purchase Agreement

The Sale and Purchase Agreement is conditional upon approval by the shareholders of Global China of the Transaction and upon all requisite approvals and consents of the SFC and the Stock Exchange having been obtained by the Offeror and Global China with respect to the Transaction. Mr. Charles Ho Tsu Kwok and Mrs. Sy Wong Chor Fong, a closely allied group of shareholders, who respectively hold 45.4 per cent. and 12.3 per cent. in nominal value of the issued share capital of Global China, have tendered their irrevocable written approvals of the Transaction pursuant to paragraph 14.10 of the Listing Rules on 7 January 2001 in lieu of a resolution to be passed at a shareholders meeting of Global China.

Guarantee

Global China has agreed to guarantee all of the Offeror's obligations under the Sale and Purchase Agreement.

Lazard Asia Fund A, L.P. will guarantee all of the Vendor's obligations under the Sale and Purchase Agreement upon Completion.

COMPLETION

The Sale and Purchase Agreement will be completed on the date falling two business days after the date on which it becomes unconditional.

POSSIBLE UNCONDITIONAL CASH OFFER

If the purchase of the Sing Tao Shares is completed, the Offeror and parties acting in concert with it will be interested in 216,931,763 Sing Tao Shares (including 1,428,000 Sing Tao Shares held by Mr. Charles Ho Tsu Kwok), representing approximately 51.70 per cent. of the issued share capital of Sing Tao. Under Rule 26 of the Code, the Offeror is required to make an unconditional general offer for all the issued Sing Tao Shares not already beneficially owned by the Offeror and parties acting in concert with it.

If the offer is made, it will be on the terms set out below.

Upon Completion, the Advisor will, on behalf of the Offeror, make the Offer on the following basis:

For each Sing Tao Share HK\$1.65

So far as the Offeror is aware, other than the Sing Tao Shares, Sing Tao does not have any other outstanding equity securities (including equity related convertible securities, warrants, options or subscription rights in respect of any equity share capital other than options under Sing Tao's employee share option scheme).

The Offeror will make offers to option holders on terms comparable to those of the Offer at HK\$1.65 for each option outstanding.

The Offer Price represents:

- (a) a premium of approximately 19.6 per cent. over the closing price of Sing Tao Shares on the Stock Exchange of HK\$1.38 per share on 5 January 2001, being the last trading day immediately prior to the suspension in trading on 8 January 2001;
- (b) a premium of approximately 29.9 per cent. over the average closing price of Sing Tao Shares on the Stock Exchange of HK\$1.27 per share for the 20 trading days immediately prior to and including the last trading day immediately prior to the suspension in trading on 8 January 2001; and
- (c) a discount of approximately 22.6 per cent. to the audited net asset value per Sing Tao Share of approximately HK\$2.13 as at 31 March 2000.

During the six month period preceding the date of this Announcement, the highest closing price of Sing Tao Shares on the Stock Exchange was HK\$1.51 per share on 13 June 2000, and the lowest closing price of Sing Tao Shares on the Stock Exchange was HK\$1.00 per share on 18 September 2000.

Based on the total number of 419,619,246 Sing Tao Shares in issue as at the date hereof, the Offer would value the total issued share capital of Sing Tao at approximately HK\$692,371,756.

The Advisor is satisfied that sufficient financial resources are available to the Offeror to meet full acceptance of the Offer.

Sellers' ad valorem stamp duty at the rate of HK\$1.125 for every HK\$1,000 or part thereof of the consideration arising in connection with acceptance of the Offer will be payable by those shareholders of Sing Tao who accept the Offer and will be deducted from the consideration due to such person on acceptance of the Offer.

Acceptance of the Offer by any person(s) will be deemed to constitute a warranty by such person(s) that all Public Sing Tao Shares acquired pursuant to the Offer are sold by such person(s) free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the date hereof.

As at 8 January 2001, Mr. Charles Ho, the controlling shareholder of Global China, owns 1,428,000 Sing Tao Shares, representing 0.34 per cent. of the issued share capital of Sing Tao. Mr. Charles Ho, as a director and the controlling shareholder of Global China, is deemed to be a party acting in concert with the Offeror, and the Offer will not be made to him. Save for such shareholding of Mr. Ho in Sing Tao, neither the Offeror nor any other parties acting in concert with it owns any Sing Tao Shares or any other securities, including equity related convertible securities, warrants, options or subscription rights in respect of any equity share capital. Neither the Offeror nor any parties acting in concert with it has dealt in any Sing Tao Shares or any other securities, including equity related convertible securities, warrants, options or subscription rights in respect of any equity share capital during the six months prior to this Announcement.

INFORMATION ON SING TAO

Sing Tao Group is primarily engaged in the newspaper publishing and commercial printing businesses. The audited consolidated net profit for the year ended 31 March 2000 and the unaudited consolidated losses for the six months ended 30 September 2000 were approximately HK\$2.8 million and approximately HK\$7.6 million respectively. The audited net tangible asset value as at 31 March 2000 and unaudited net tangible asset value of Sing Tao as at 30 September 2000 were approximately HK\$895 million and approximately HK\$881 million respectively.

The audited consolidated net loss before and after taxation for the year ended 31 March 1999 and the audited consolidated net profit before and after taxation for the year ended 31 March 2000 of the Sing Tao Group are as follows:

	Year ended 31 March	
	2000	1999
	HK\$ million	HK\$ million
	(audited)	(audited)
Profit/(loss) before taxation	42.4	(45.3)
Profit/(loss) after taxation	2.8	(55.6)
Profit/(loss) attributable to shareholders	2.8	(55.4)

Further information in relation to the Sing Tao Group will be included in the Offer Document.

INFORMATION ON THE OFFEROR AND GLOBAL CHINA

The Offeror is a private company which was incorporated in the British Virgin Islands on 28 December 2000 and is wholly owned by Global China. It is a special purpose vehicle formed to hold the Sing Tao Shares.

Global China is listed on the Stock Exchange. It has a market capitalization of approximately HK\$670 million based on its closing price of HK\$0.50 per share on 5 January 2001. Global China is mainly engaged in two principal lines of business: the development of Internet-related technology, services and content through partnerships; and the distribution of photographic products. In its new line of business, Global China has identified four key strategic focuses namely, broadband technology & services, financial services, education and media & information services. The audited consolidated losses for the year ended 31 March 2000 and the unaudited consolidated losses for the six months ended 30 September 2000 were approximately HK\$92.3 million and approximately HK\$12.6 million respectively. The audited net tangible asset value as at 31 March 2000 and the unaudited net tangible asset value of Global China as at 30 September 2000 were approximately HK\$387.3 million and approximately HK\$923.7 million respectively.

REASONS FOR THE OFFER AND FUTURE PLANS AND PROSPECTS OF SING TAO

The directors of Global China (except for Ms. Helen Wong Siu Ming, an independent non-executive director of Global China who being an executive director of Sing Tao is deemed to be interested in the Transaction and who has not participated in the board meeting of Global China at which the Transaction was considered and Mr. William Mark Evans, a non-executive director of Global China who is not in Hong Kong and not contactable) consider that this transaction would establish Global China's business in the Media & Information Services sector, which is one of the four strategic focuses of Global China given that Sing Tao has strong brand equity, a massive information database and a solid financial position. Global China plans to further develop Sing Tao from a traditional media company into a leading provider of multimedia content by leveraging the existing resources of both groups.

It is not the intention of Global China to make any material changes to the principal activities of Sing Tao Group. Nonetheless, Global China will consider strategic investors who could bring synergistic value to Sing Tao. At present, Global China has no plan to inject any of its assets into Sing Tao.

The Stock Exchange has stated that, if Sing Tao remains a public company listed on the Stock Exchange, any acquisitions or disposals of assets by Sing Tao will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require Sing Tao to issue a circular to its shareholders where acquisition or disposal by Sing Tao is proposed, irrespective of the size of such acquisition or disposal and in particular where such acquisition or disposal represents a departure from the principal activities of Sing Tao. The Stock Exchange also has the power, pursuant to the Listing Rules, to aggregate a series of acquisitions or disposals by Sing Tao and any such acquisitions or disposals may, in any event, result in Sing Tao being treated as a new applicant for listing and subject to the requirements for new applicants as set out in the Listing Rules.

Directors and Management of Sing Tao

Global China intends to appoint a majority of the directors of Sing Tao ("New Sing Tao Board") upon closing of the Offer. The daily operation and management will be carried out by the New Sing Tao Board after the close of the Offer but there will not be any material changes to the employees of Sing Tao as a result of the Offer.

Continuation of Listing of Sing Tao

It is the intention of Global China that the listing of the Sing Tao Shares on the Stock Exchange should be maintained. Accordingly, Global China has undertaken to the Stock Exchange, in terms to be agreed with the Stock Exchange, to take appropriate steps as soon as possible following the close of the Offer to ensure that such number of Sing Tao Shares as may be required by the Stock Exchange are held by the public.

The Stock Exchange has stated that, in the event that less than 25 per cent. of the Sing Tao Shares are in public hands following the closing of the Offer, it will closely monitor trading in the Sing Tao Shares. If the Stock Exchange believes that a false market exists or may exist in the Sing Tao Shares or that there are insufficient Sing Tao Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Sing Tao Shares.

GENERAL MATTERS RELATING TO THE OFFER

Dispatch of Offer Document

It is the expectation of the Offeror that the Offer Document setting out the details of the Offer and the acceptance and transfer forms, will be sent out to Sing Tao Shareholders within 21 days of the date of this Announcement.

If the Sale and Purchase Agreement does not become unconditional within 14 days of this Announcement, an application may be made to the takeovers and mergers executive of the SFC for a consent under Note 2 to Rule 8.2 of the Takeovers Code to dispatch the Offer Document on a date which is within 7 days of the date of fulfillment of the conditions precedent.

Availability of the Offer

The availability of the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

MAJOR TRANSACTION

The Transaction will constitute a major transaction for Global China under the Listing Rules and will require approval from shareholders of Global China at a general meeting unless written approval of the Transaction by a shareholder or a closely allied group of shareholders who together hold more than 50 per cent. in nominal value of shares in Global China giving the right to attend and vote at such general meeting in accordance with Rule 14.10 of the Listing Rules is obtained. Mr. Charles Ho Tsu Kwok and Mrs. Sy Wong Chor Fong, a closely allied group of shareholders, who together hold more than 50 per cent. of the issued share capital of Global China, have tendered their irrevocable written approvals of the Transaction pursuant to paragraph 14.10 of the Listing Rules on 7 January 2001 in lieu of a resolution to be passed at a shareholders meeting of Global China.

A circular containing, among other things, further information on the Transaction, will be dispatched to the shareholders of Global China as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

Trading in Global China Shares on the Stock Exchange was suspended at the request of Global China with effect from 10:00 a.m. on 8 January 2001 pending release of this announcement. Application has been made by Global China for the resumption of trading in Global China Shares with effect from 10:00 a.m. on 9 January 2001.

DEFINITIONS

"Advisor"	Goldman Sachs (Asia) L.L.C.
"Code"	The Hong Kong Code on Takeovers and Mergers
"Completion"	Completion of the sale and purchase of the Sing Tao Shares pursuant to the Sale and Purchase Agreement
"Global China"	Global China Technology Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Global China Group"	Global China and its subsidiaries
"Global China Shares"	Share(s) of HK\$0.10 each in Global China
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Offer"	The possible unconditional cash offer by the Advisor on behalf of the Offeror to acquire all the Public Sing Tao Shares
"Offeror"	Global China Multimedia Limited, a company incorporated in the British Virgin Islands and which is a wholly-owned subsidiary of Global China
"Offer Document"	The Offer document to be dispatched to the holders of Sing Tao Share(s) in relation to the Offer
"Offer Price"	HK\$1.65 per Sing Tao Share
"Public Sing Tao Share(s)"	Sing Tao Shares not owned by Global China or parties acting in concert with it
"Sale and Purchase Agreement"	The Sale and Purchase Agreement dated 7 January, 2001 made between the Vendor, the Offeror and Global China relating to the sale and purchase of 215,503,763 Sing Tao Shares
"SFC"	The Securities and Futures Commission
"Sing Tao"	Sing Tao Holdings Limited
"Sing Tao Group"	Sing Tao and its subsidiaries
"Sing Tao Share(s)"	Share(s) of HK\$0.25 each in Sing Tao
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Termination Date"	The date falling 40 calendar days from the date of the Sale and Purchase Agreement
"Transaction"	The acquisition of Sing Tao Shares pursuant to the Sale and Purchase Agreement and the Offer
"Vendor"	Astral Light Investments Limited, which is owned by Lazard Asia Fund A, L.P.
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong

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

Hong Kong, 8 January 2001

The directors of Global China (other than Mr. William Mark Evans who is not in Hong Kong and not contactable) jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and that there are no other facts not contained in this announcement, the omission of which would make any statement in the announcement misleading.

* For identification only