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GLOBAL CHINA GROUP HOLDINGS LIMITED
泛華集團控股有限公司*

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION

September 20, 2002

* For identification purpose only

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DEFINITIONS

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

“Da Di Distribution”	Da Di Distribution Centre* (大地發行中心), a state-owned enterprise established under the laws of the PRC and wholly-owned by People’s Daily Press* (人民日報社)
“Directors”	the board of directors of Global China
“GCT Exchange Offer”	the voluntary conditional securities exchange offer by Global China Corporate Finance Limited on behalf of Global China Multimedia Limited, a wholly-owned subsidiary of Global China, to acquire the shares in Sing Tao Media Holdings Limited (“STM Shares”) other than those STM Shares held by Global China Multimedia Limited on the basis of 1.75 new Shares for each STM Share
“Global China” or the “Company”	Global China Group Holdings Limited (formerly Global China Technology Group Limited), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the main board of the Stock Exchange
“Global China Media Services”	Global China Media Services 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 dollar, the lawful currency of Hong Kong
“Hong Kong”	the Special Administrative Region of the PRC
“JV Contract”	the equity joint venture contract (in Chinese) dated August 30, 2002 entered into between Global China Media Services and Da Di Distribution (大地發行中心) for the establishment of the PRC JV
“Latest Practicable Date”	September 17, 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC” or “China”	The People’s Republic of China
“PRC JV” or “Greater China Media Services”	Greater China Media Services Limited (大華媒體服務有限公司), a Chinese-foreign equity joint venture, in which Global China Media Services and Da Di Distribution (大地發行中心) are interested as to 49% and 51% respectively of its registered capital
“RMB”	Renminbi, the lawful currency of PRC
“SDI Ordinance”	Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)
“Shares”	shares of HK\$0.10 each in the ordinary share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



GLOBAL CHINA GROUP HOLDINGS LIMITED
泛華集團控股有限公司*

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. Ho Tsu Kwok, Charles (*Chairman*)
Mr. Young, Terrence (*Deputy Chairman*)
Ms. Inn, Judy
Mr. Jia Hong Ping, Michael
Mrs. Sy Wong Chor Fong
Mr. Wong Wai Ming
Mr. Yang Yiu Chong, Ronald Jeffrey

Non-executive Director:

Mr. Leung Chun Ying

Independent Non-executive Directors:

Ms. Ho Chiu King, Pansy
Dr. Tong Yuk Lun, Paul

Principal Office:

Suite 6605-09
66/F, The Center
99 Queen's Road Central
Central
Hong Kong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

September 20, 2002

To the Shareholders and the Preference Shareholder

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

On August 30, 2002, Global China Media Services and Da Di Distribution (大地發行中心) entered into the JV Contract for the establishment of a Chinese-foreign equity joint venture, Greater China Media Services, for the purpose of undertaking the business of, principally, the national distribution of print media publications, including newspapers, magazines and books, and the provision of other media related services in the PRC. The registered capital of the PRC JV is to be owned as to 49% by Global China Media Services and as to 51% by Da Di Distribution (大地發行中心).

The total investment by Global China Media Services in the PRC JV, which will be in cash representing contribution to registered capital and shareholder's loan, will be up to a maximum of RMB250,000,000. The accounting treatment for the Group's investment in the PRC JV will be subject to the confirmation of the Company's auditors. The details of the JV Contract are summarised below.

* For identification purpose only

LETTER FROM THE BOARD

THE JV CONTRACT

Date of the agreement

August 30, 2002

Parties

Foreign party Global China Media Services, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Global China

PRC party Da Di Distribution (大地發行中心), a state-owned enterprise established under the laws of the PRC and wholly-owned by People's Daily Press (人民日報社). The PRC party and its beneficial owner are independent third parties not connected with the Company, the Directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules)

Terms of the JV Contract

The JV Contract provides for the establishment of a Chinese-foreign equity joint venture, Greater China Media Services, the principal business of which is the national distribution of print media publications, including newspapers, magazines and books, and the provision of other media related services in the PRC. The PRC JV is a limited liability company incorporated under the laws of the PRC with its registered office in Beijing, the PRC.

The initial registered capital of the PRC JV is RMB100,000,000, to which Global China Media Services will contribute RMB49,000,000, representing 49% of the registered capital, and Da Di Distribution (大地發行中心) will contribute RMB51,000,000, representing 51% of the registered capital. Pursuant to the terms of the JV Contract, the capital contribution will be paid in cash and will be fully paid up within six months from the date the PRC JV obtains its business license from the relevant government authority in the PRC.

Under the JV Contract, the total investment amount of the PRC JV is RMB250,000,000. The balance of the total investment amount (after deducting the initial registered capital) will be provided by the partners of the PRC JV in the form of interest-free shareholder's loans, which may or may not be proportionate to their respective interests in the registered capital of the PRC JV.

In addition, Global China Media Services and Da Di Distribution (大地發行中心) have agreed that, depending on the funding requirements of the PRC JV and upon an increase in the total investment amount of the PRC JV being approved by the relevant government authority, an additional interest-free shareholder's loan will be provided by Global China Media Services to

LETTER FROM THE BOARD

the PRC JV, such that the total investment by Global China Media Services (which will be in cash representing contribution to the registered capital and shareholder's loan) will not exceed RMB250,000,000.

The shareholder's loans will be repaid as and when the PRC JV records a net profit in its financial statements. The JV Contract provides that the amount of repayment in a particular financial year will be not less than 80% of the profit after tax and after contribution to such funds as may be stipulated under PRC laws of the PRC JV in that financial year. In addition, to the extent that the shareholder's loan to be provided by Global China Media Services exceeds the shareholder's loan to be provided by the PRC party, such excess amount will be repaid prior to any repayment to be made to the PRC party.

The board of directors of the PRC JV will comprise seven members, four of whom will be nominated by Da Di Distribution (大地發行中心), and three by Global China Media Services. The chairman of the board of directors will be nominated by Da Di Distribution (大地發行中心) and the General Manager and Chief Financial Controller will be nominated by Global China Media Services.

The terms of the JV Contract have been reached after arm's length negotiations between the parties concerned. The JV Contract has been submitted to the relevant PRC authorities for approval. Upon obtaining such approval, application will be made to the relevant PRC government authority for the issuance of the business license of the PRC JV.

FUNDING OF THE TRANSACTION

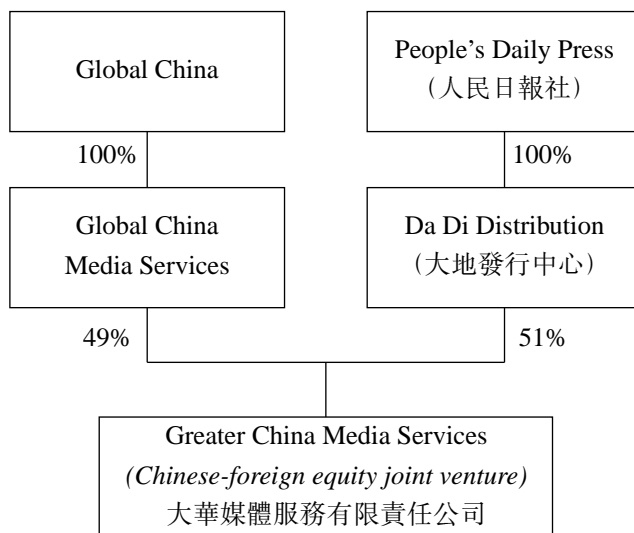
The investment by Global China Media Services in the PRC JV is intended to be funded by internal resources within the Group.

INFORMATION ON THE PRC JOINT VENTURE

The principal business of the PRC JV is the wholesale and retail distribution of print media publications, including newspapers, magazines and books, on a nation-wide basis in the PRC and the provision of other media related services in the PRC. The PRC JV intends that a distribution network will be initially developed in Beijing, which will be extended to cover major cities in the PRC within a period of two years. Leveraging on its distribution network, the PRC JV also intends to provide a range of media related services including the provision of information and promotional services to media companies in the PRC.

LETTER FROM THE BOARD

Joint Venture Structure



REASONS FOR THE TRANSACTION

The Group 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 in Hong Kong and the PRC. The Directors believe that this new venture represents a significant business opportunity to the Group. With the rapid development of the PRC media industry in recent years, the market for the distribution of print media products in the PRC is experiencing strong growth, and competition is limited to one or two state entities and a number of small-scale local operators. In addition, under current PRC law, foreign participation in the media industry is restricted to media services, and media distribution represents both a lucrative and effective way for the Group to lay a foundation for its future business development in the media industry in the PRC. The transaction is expected to contribute to the realization of the Group's strategy to extend its product offering and establish a significant presence in the media industry in the PRC. It is also in line with the Group's vision of becoming a leading multi-media company serving global Chinese communities.

GENERAL

Please refer to the appendix for further general information.

Yours faithfully,
On behalf of the Board of
Global China Group Holdings Limited
Ho Tsu Kwok, Charles
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following interests of 10% or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Number of Shares held	% of the existing issued share capital (<i>approximate</i>)
Luckman Trading Limited (<i>note 1</i>)	739,396,000	46.4% ³
Stagelight Group Limited (<i>note 2</i>)	163,919,000	10.3% ³

Notes :

- 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 Company. The said 739,396,000 Shares do not include 2,499,000 Shares held by a company whose entire issued share capital is owned by Mr. Ho Tsu Kwok, Charles.
- 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, an executive director of the Company, and her family members. The said 163,919,000 Shares do not include 1,250,000 Shares held in the name of Mrs. Sy Wong Chor Fong.
- The shareholding does not take into account the new shares to be issued pursuant to the GCT Exchange Offer.

Saved as disclosed above, none of the Directors or chief executive of the Company is aware of any person who is, directly or indirectly, interested in 10% or more of the issued share capital of the Company or any of its subsidiaries.

3. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) which had been notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they were deemed or taken to have under Section 31 or Part I of the Schedule to the SDI Ordinance) or which would be required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein or which would otherwise be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Name	Type of Interests	Number of Shares	Number of Convertible Preference Shares	Number of Options
Ho Tsu Kwok, Charles	Corporate (<i>Note 1</i>)	741,895,000	1,159,486,908	Nil
Young, Terrence	Personal	Nil	Nil	2,000,000
Inn, Judy	Personal	100,000	Nil	13,000,000
Jia Hong Ping, Michael	Personal	Nil	Nil	3,500,000
Sy Wong Chor Fong	Corporate (<i>Note 2</i>)	163,919,000	Nil	Nil
	Personal	1,250,000	Nil	4,654,000
Wong Wai Ming	Personal	186,000	Nil	36,000,000
Yang Yiu Chong, Ronald Jeffrey	Personal	Nil	Nil	4,660,000

Notes:

- Of these Shares, (i) 739,396,000 Shares are held by Luckman Trading Limited, a company whose entire issued share capital is owned by Mr. Ho Tsu Kwok, Charles; and (ii) 2,499,000 Shares are held by a company whose entire issued share capital is owned by Mr. Ho Tsu Kwok, Charles. The Convertible Preference Shares are held by Luckman Trading Limited.
- These Shares are held by Stagelight Group Limited, a company whose entire issued share capital is owned by Fine Garden Group Limited, which is in turn wholly owned by Mrs. Sy Wong Chor Fong and her family members.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors, other than as nominee for members of the Group, was interested in the share capital of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) which would be required to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they were deemed or taken to have under Section 31 or Part I of the Schedule to the SDI Ordinance) or which would be required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

As at the Latest Practicable Date, none of the Directors had entered into service agreements with any member of the Group.

4. MISCELLANEOUS

- (a) The secretary of the Company is Mr. Tsang Sai Chung, Kirk, who is a qualified solicitor practising in Hong Kong.
- (b) As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.
- (c) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office of the Company is situated at Suite 6605-09, 66/F, The Center, 99 Queen's Road Central, Hong Kong.
- (d) The Hong Kong branch share registrar of the Company is Tengis Limited at 4/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong.