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**星島** **SING TAO HOLDINGS LIMITED**  
(Incorporated in Bermuda with limited liability)  
星島集團

**DISTRIBUTION IN SPECIE OF SHARES IN SING TAO MEDIA  
PROPOSAL OF REDUCTION OF SHARE PREMIUM  
AND  
CAPITAL REDEMPTION RESERVE ACCOUNTS  
AND PROPOSAL FOR NAME CHANGE**

The Board is pleased to announce that the Board on 16th July, 2002 passed a resolution to approve the conditional distribution of STM Shares to the Shareholders by way of a special interim dividend in specie. The Distribution will be made to the Shareholders (including the Overseas Shareholders) whose names appear on the register of members of the Company on the Record Date in the proportion of one STM Share for every one Share then held.

The Distribution is one of the conditions precedent to the Securities Exchange Offer and the Cash Offer.

The Distribution is subject to the approval from the Shareholders on the possible reduction of Share Premium Account and Capital Redemption Reserve Account being obtained. The Board is pleased to put forward a proposal to the Shareholders to reduce the Share Premium Account and the Capital Redemption Reserve Account and to transfer the amount so reduced to the Contributed Surplus Account. The Share Premium Reduction and the Capital Redemption Reserve Reduction are conditional upon the passing by the Shareholders of a special resolution to approve the Share Premium Reduction and the Capital Redemption Reserve Reduction at the Special General Meeting. The Board also proposes to the Shareholders to consider and approve the Distribution at the Special General Meeting.

The Board intends to propose to the Shareholders that the English name of the Company be changed from “Sing Tao Holdings Limited” to “Shanghai Ming Yuan Holdings Limited”. The Board will also adopt the Chinese name of “上海銘源控股有限公司” for identification purposes upon the Name Change becoming effective.

The notice convening the Special General Meeting to consider and, if thought fit, to approve the resolutions relating to the proposal for the Share Premium Reduction and the Capital Redemption Reserve Reduction, the Distribution and the Name Change will be sent to the Shareholders in due course.

Reference is made to the announcement of the Company dated 11th July, 2002.

## **SPECIAL INTERIM DIVIDEND**

The Board has approved the declaration of a special interim dividend on 16th July, 2002 to be satisfied by way of a distribution in specie of STM Shares to the Shareholders.

The Distribution will be made to the Shareholders (including the Overseas Shareholders) whose names appear on the register of members of the Company on the Record Date in the proportion of one STM Share for every one Share then held. STM Shares are not listed on any stock exchange.

The then entire issued share capital of Sing Tao Media will be distributed under the Distribution. No distribution of STM Shares will be made to the Shareholders in respect of fractional entitlements. The Distribution is subject to the Shareholders passing the resolutions for Share Premium Reduction and the Capital Redemption Reserve Reduction at the Special General Meeting. The Board also proposes to the Shareholders to consider and approve the Distribution at the Special General Meeting.

## **Closure Of Registers Of Members And Registration Procedures**

The principal register and Hong Kong branch register of members of the Company are expected to close on 12th August, 2002 for the purpose of determining the identity of the Shareholders who are entitled to receive STM Shares under the Distribution. No transfer of Shares may be registered during the book closure period. In order to qualify for the Distribution, all transfers must be lodged with the Hong Kong branch registrar of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on 9th August, 2002.

## **Share Certificates Of STM Shares**

On 11th July, 2002, the board of directors of both Global China and Global China Multimedia jointly announced the voluntary conditional Securities Exchange Offer to acquire the entire issued shares of Sing Tao Media other than those as may be held by Global China Multimedia 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 Securities Exchange Offer is subject to the completion of certain conditions precedent, including the completion of the Distribution. Fractional shares of Global China will not be issued.

Share certificates of STM Shares would not be issued to the Shareholders at the time when the Distribution is completed. Instead, share certificates of STM Shares will only be issued after the completion of the Securities Exchange Offer which is expected to be no later than 23rd September, 2002. Definitive certificates for STM Shares are expected to be despatched by ordinary mail to the Shareholders who elect not to accept the Securities Exchange Offer, at their own risks upon the completion of the Securities Exchange Offer. Fractional shares of Sing Tao Media will not be issued.

Shareholders who elect to accept the Securities Exchange Offer will not receive the certificates for STM Shares but instead, will receive the share certificates representing the relevant New GCT Shares.

## **REDUCTIONS OF CAPITAL**

For the purpose of implementing the Distribution, the Share Premium Account and the Capital Redemption Reserve Account would have to be reduced in order to increase the distributable reserve available to the Company. The amount standing to the credit of the Share Premium Account as at 31st December, 2001 was HK\$286,192,000. The amount standing to the credit of the Capital Redemption Reserve Account as at 31st December, 2001 was HK\$1,431,000. It is proposed that, subject to the conditions set out below, the whole amount of the Share Premium Account and

the Capital Redemption Reserve Account as at the Effective Date be reduced pursuant to Section 46 of the Companies Act 1981 of Bermuda and Bye-law 66(B) of the Bye-laws of the Company and that the amounts so reduced be transferred to the Contributed Surplus Account.

As at 31st December, 2001, the amount standing to the credit of the Contributed Surplus Account was HK\$616,818,000. Upon completion of the Share Premium Reduction and the Capital Redemption Reserve Reduction, the amount standing to the credit of the Contributed Surplus Account will be increased to HK\$904,441,000. The amount standing to the credit of the Contributed Surplus Account would be used to effect the Distribution after offsetting the Accumulated Losses Account in full.

As at 31st December, 2001, the Company recorded an audited accumulated losses of HK\$278,022,000 standing to the debit of the Accumulated Losses Account. The Share Premium Reduction and the Capital Redemption Reserve Reduction will enable the Company to increase the distributable reserve of the Company, and, as a result, enable the Company to effect the Distribution from its distributable reserve.

### **Effect of the Share Premium Reduction**

Implementation of the Share Premium Reduction and the Capital Redemption Reserve Reduction (without taking into account the Distribution) will not, in itself, affect the underlying assets, liabilities, business operations, management or financial position of the Company, other than related expenses incurred which are immaterial.

### **Conditions of the Distribution**

The Distribution is conditional upon the Company being able to satisfy that (a) the Company is, or would after the Distribution be, able to pay its liabilities as they become due; and (b) the realizable value of the Company's assets would not after the Distribution be less than the aggregate of its liabilities and its issued capital and share premium account, as provided under Section 54.(1) of the Companies Act 1981 of Bermuda.

### **Conditions of the Share Premium Reduction and the Capital Redemption Reserve Reduction**

The Share Premium Reduction and the Capital Redemption Reserve Reduction are conditional upon, inter alia, the passing by the Shareholders of a special resolution to approve the Share Premium Reduction and the Capital Redemption Reserve Reduction at the Special General Meeting.

The passing of the resolution for Share Premium Reduction and Capital Redemption Reserve Reduction by the Shareholders at the Special General Meeting and the implementation of the Distribution are two of the conditions precedent to the completion of the Sale and Purchase Agreement and the making of the Securities Exchange Offer.

### **CHANGE OF NAME**

The Board intends to propose to the Shareholders that the English name of the Company be changed from "Sing Tao Holdings Limited" to "Shanghai Ming Yuan Holdings Limited". The Name Change is subject to:

(a) the passing of a special resolution by the Shareholders at the Special General Meeting; and

(b) the approval by the Registrar of Companies in each of Bermuda and Hong Kong being obtained.

The Board will also adopt the Chinese name of “上海銘源控股有限公司” for identification purposes upon the Name Change becoming effective.

The Name Change will preserve the goodwill associated with “Sing Tao” to Sing Tao Media. It also reflects the change in control of the Company upon completion of the Sale and Purchase Agreement.

The Name Change will not affect any of the rights of the Shareholders. Existing share certificates in issue shall continue to be evidence of title to the Shares held in the Company and shall continue to be valid for trading and settlement purposes.

The Name Change will take effect from the date when the new English name is registered by the Registrar of Companies in Bermuda and a further announcement will be made by the Company in respect thereof and the trading arrangement of the Shares. Shareholders may for a period of one month from the date when the Name Change becomes effective submit existing share certificates to the Hong Kong branch registrar of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for exchange, at the expense of the Company, for new certificates in the new name of the Company. After the expiry of such one month period, Share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 or such higher amount as may be prescribed or allowed under the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited and the bye-laws of the Company from time to time for each such certificates issued. All necessary filing procedures with the Registrar of Companies in Bermuda and the Registrar of Companies in Hong Kong will be carried out by the Company.

## **SPECIAL GENERAL MEETING**

A special general meeting is proposed to be held on 19th August, 2002 to seek approval from Shareholders for the Share Premium Reduction, the Capital Redemption Reserve Reduction, the Distribution and the Name Change. The register of members is expected to close from 12th August, 2002 to 19th August, 2002 for determining the entitlements of Shareholders to attend the Special General Meeting. In this connection, a circular will be despatched to the Shareholders explaining the Distribution, the Share Premium Reduction and the Capital Redemption Reserve Reduction, and the Name Change in due course.

## **EXPECTED TIMETABLE**

2002

|   |                         |
|---|-------------------------|
| Last day of dealings in Shares cum entitlement to the STM Shares pursuant to the Distribution . . . . . | 7th August              |
| Commencement of dealings in Shares on an ex-entitlement basis . . . . .                                 | 8th August              |
| Latest time for lodging transfer of the Shares in order to qualify for the Distribution . . . . .       | 4.00 p.m. on 9th August |
| Record Date . . . . .   | 12th August             |
| Register of member closes . . . . .   | 12th to 19th August     |
| Special General Meeting . . . . .   | 19th August             |

*Note:* The above timetable is an indication only. Further announcement will be made if there are major changes to the above timetable.

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

- “Accumulated Losses Account” the accumulated losses account of the Company
- “Board” the board of directors of the Company
- “Capital Redemption Reserve Account” the capital redemption reserve account of the Company
- “Capital Redemption Reserve Reduction” the proposed reduction of the Capital Redemption Reserve
- “Cash Offer” the possible mandatory offer by South China Securities Limited on behalf of Ming Yuan Investments Group Limited for the entire issued share capital of the Company, other than the Sale Shares and certain outstanding options to subscribe for 21,000,000 shares granted under the share option scheme adopted by the Company on 3rd September, 1999
- “Company” Sing Tao Holdings Limited, an exempted company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange
- “Contributed Surplus Account” the contributed surplus account of the Company
- “Distribution” the conditional payment of a special interim dividend by the Company to be satisfied by a distribution in specie of one STM Share to the Shareholders for every one Share held on the Record Date
- “Effective Date” the date on which the Share Premium Reduction and the Capital Redemption Reserve Reduction shall become effective, being the date of the Special General Meeting at which the relevant resolution approving the Share Premium Reduction and the Capital Redemption Reserve Reduction will be considered by the Shareholders
- “GCT Shares” 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
- “Global China Multimedia” Global China Multimedia Limited, a company incorporated with limited liabilities in the British Virgin Islands being a wholly-owned subsidiary of Global China
- “Group” the Company and its subsidiaries

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| “HK\$”                        | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Name Change”                 | the proposed change of name of the Company from Sing Tao Holdings Limited to Shanghai Ming Yuan Holdings Limited  |
| “New GCT Shares”              | the new GCT Shares proposed to be issued by Global China, credited as fully paid pursuant to the Securities Exchange Offer  |
| “Overseas Shareholders”       | the Shareholders whose addresses on the register of members of the Company were outside Hong Kong on the Record Date  |
| “Record Date”                 | 12th August, 2002   |
| “Sale Shares”                 | 312,624,443 Shares currently held by Global China Multimedia  |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 3rd July, 2002 entered into between Global China, Ming Yuan Investments Group Limited and Yao Yuan for the sale and purchase of the Sale Shares         |
| “Securities Exchange Offer”   | the voluntary conditional securities exchange offer made by Global China Corporate Finance Limited on behalf of Global China Multimedia for the entire issued share capital of Sing Tao Media |
| “Share(s)”                    | share(s) of HK\$0.25 each in the issued share capital of the Company  |
| “Shareholder(s)”              | holder(s) of the Shares   |
| “Share Premium Account”       | the share premium account of the Company  |
| “Share Premium Reduction”     | the proposed reduction of the Share Premium Account   |
| “Sing Tao Media”              | Sing Tao Media Holdings Limited, a company incorporated in the Cayman Islands, and a wholly-owned subsidiary of the Company   |
| “Special General Meeting”     | the special general meeting of the Company to be held on 19th August, 2002  |
| “STM Share(s)”                | shares of HK\$0.01 each in the ordinary share capital of Sing Tao Media   |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited   |

By Order of the Board of  
**Sing Tao Holdings Limited**  
**Charles HO Tsu Kwok**  
*Chairman*

Hong Kong, 17th July, 2002

*The Directors of the Company 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.*

*Please also refer to the published version of this announcement in the **(The Standard)***