

*For Immediate Release*

## **GLOBAL CHINA GROUP HOLDINGS LIMITED REPORTS PROFIT IN MEDIA OPERATIONS AMID SARS IMPACT**

HONG KONG – September 18, 2003 – In its Interim Results announced today for the six months from January 1 to June 30, 2003 ('Period'), Global China Group Holdings Limited ('Global China' or 'Group', HKSE:1105) reported profitability in its core media operations, registering a 10.9% growth in revenue to HK\$430 million amid the lingering impact of SARS during the Period. Operating profit of media operations amounted to HK\$0.8 million as compared with an operating loss of HK\$1.5 million for the six months from January 1 to June 30, 2002 ('Previous Period').

The consolidated turnover of the Group for the Period amounted to HK\$ 564.8 million as compared to HK\$591.7 million for the Previous Period. Nonetheless, turnover actually rose 15% if contribution from the disposed commercial printing operation was excluded in the Previous Period.

Without taking into account of the financial impact from non-operating items, operating loss derived from recurrent activities narrowed substantially from \$33.6 million to HK\$21 million for the Period. Profit attributable to shareholders was HK\$31.2 million. Earnings per share were HK1.71 cents.

### **Prudent Business Approach**

Commenting on the overall performance of Global China, the Group's Chairman Mr. Ho Tsu Kwok, Charles said, 'In view of the adverse economic climate, Global China has been adopting a prudent approach in implementing its development plan for the past year. To pursue its development goal, the Group continued to dispose of non-core assets while at the same time fully utilize its resources to further enhance the core competencies of media business.

'Our stringent cost control measures for the past months were proven to be successful, operating loss narrowed substantially during the Period. It is also encouraging to see

that the Newspaper Unit managed to achieve healthy growth amidst the unfavorable business environment.' Mr. Ho added.

### **Respectable Performance of Newspaper Unit**

The respectable performance of the media operations, in particular the Newspaper Unit which comprises of the publishing of Sing Tao Daily and The Standard, was attributable to a series of successful measures adopted by the Group. Circulation revenue and readership both witnessed healthy growth as a result of editorial enhancement, strategic alliances with reputable regional newsmakers and innovative advertising packages. These measures all helped to mitigate the negative impact arising from the viral attack. Steady income from overseas operations also helped offset the negative impacts of domestic economic downturn.

The magazine unit, which has built up a portfolio of 10 magazine titles to date, including the acquisition of East Week, witnessed a steady growth during the Period. 'Since its official launch in September, the weekly has received very favorable market response, more than 90% of the issues were sold.' Mr. Ho revealed.

In addition, the China print media distribution business of Global China started its operation on August 1, 2003 in Beijing, after months of in-depth market research and cautious selection of right business partners. 'We want to ensure our first mover advantages would be fully achieved.' said Mr. Ho. The business will begin with the distribution of magazines.

### **Other Businesses**

The Group's Trading Unit recorded significant profit growth. Revenue surged by 29.4% to HK\$70 million while operating profit increased to HK\$3.7 million. Broadband Unit retained its leading market position in the capital city of Shandong province, Jinan, with its broadband subscriber base doubled to 54,000 by the end of June. Although the SARS climate had an adverse impact on Human Capital Management Unit ('HCM'), revenue of its recruitment title Job Market registered only a single digit decline.

Looking forward, Global China will continue to adopt a prudent approach in

developing its respective businesses. With strong financial position and a more focused organizational structure, the Group is well positioned to pursue opportunities for growth as and when they arise.

### **About Global China Group Holdings Limited**

Global China Group is a media corporation listed on the Hong Kong Stock Exchange (1105) founded by Mr. Ho Tsu Kwok, Charles in year 2000. The core businesses of the Group focus on three main areas, namely: Media Ownership and Services, Human Capital Management and Broadband Content & Distribution.

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