



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

Incorporated in Bermuda with limited liability

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

香港中環皇后大道中 99 號中環中心 66 樓 6605-09 室

Telephone 電話 (852) 2830 0300 Facsimile 傳真 (852) 2830 0399

FOR IMMEDIATE RELEASE

**GLOBAL CHINA GROUP HOLDINGS LIMITED
REPORTS PROFIT OF \$115.2 MILLION**

Hong Kong – September 27, 2002 -- In its Interim Results announced today for the six months from January 1 to June 30, 2002 (Period), Global China Group Holdings Limited (Global China) reported net profit attributable to shareholders of \$115.2 million compared with a net loss attributable to shareholders of \$68.2 million for the six months from April 1 to September 30, 2001(Previous Period). Operating loss narrowed substantially from \$52.6 million to \$31.7 million while consolidated turnover fell from \$720.1 million for the Previous Period to \$591.7 million during the Period.

Global China's Chairman, Mr. Charles Ho Tsu Kwok, commented that the substantial improvement in the overall performance of the Group for the past six months was attributable to a series of restructuring exercises, successful cost control measures, improved synergies through resource sharing and the launching of new products and services.

Global China generated an exceptional gain of \$150.1 million from the disposal of the Group's non core business - Commercial Printing Operations, a strategic move adopted by the Group in an endeavor to focus on its three core businesses, namely Media Ownership & Services, Human Capital Management, and Broadband Content & Distribution.

Turnaround Performance of Media Operations

Prudent business approach had been adopted to maximize operational efficiency and efforts were made to diversify its revenue sources by re-organizing and setting up new divisions, in particular the Media Ownership & Services Business.

Under this unit, the Group's Media Operations (comprising the Newspaper Division and the newly set-up Magazine Division) staged a significant upturn, showing an operating profit of \$0.8 million for the Period compared with an operating loss of \$36.1 million for the Previous Period. Amid moderate decline in revenue in the Newspaper Division due to lower advertising income, significant reduction in operating cost was achieved as a result of continuous re-engineering and cost cutting measures. The new Magazine Division recorded a healthy growth in advertising revenue, whose turnover accounted for approximately 11% of the revenue of the Media Operations.

Stronger Financial and Market Position

"Given the Group's strengthened financial position, coupled with a more focused organization structure, the Group is now in a better position to take advantage of business opportunities most beneficial to the Group," said Mr. Ho.

"Leveraging on the strong presence of our flagship newspaper, Sing Tao Daily, in Hong Kong and among global Chinese communities, we have been actively extending our reach in the PRC."

The Group brought off a ground-breaking coup in the PRC media industry on August 30, 2002 by forming a RMB 250 million Joint Venture with the authoritative *People's Daily Press* to engage in nationwide distribution of print publications (including newspapers, magazines and books) and to provide other value-added media services in the PRC.

The 49%-owned joint venture company Greater China Media Services Limited will enable the Group to establish a foothold in the PRC print media distribution market, which exceeds RMB60 billion a year in the aggregate for the distribution of print publications, and to provide the Group with access to the media industry which is still largely closed to foreign participation.

The Group also formed a 70%-owned Joint Venture, Beijing Jing Hua Human Capital Management Company Limited, with the *University of International Business and Economics*, providing on-line and off-line corporate and vocational training for mainland enterprises in July this year.

"These Joint Ventures will serve as a springboard for forging even stronger ties between our Group and the PRC's fast growing information sector," added Mr. Ho.

"It is undoubtedly a big step forward for Global China in realizing our vision to becoming a leading multimedia content provider and aggregator serving global Chinese communities." he concluded.

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About Global China Group Holdings Limited

'Global China Group' was founded in 1996 by Mr. Charles Ho Tsu Kwok. In 2000, the Group was listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock code: 1105).

The Group's business focuses on three core businesses: Media Ownership & Services, Human Capital Management, and Broadband Content & Distribution.

With over 2,000 employees worldwide, the Group, through its subsidiaries and jointly-controlled entities, has its market presence outside Hong Kong spread over 11 major cities in four continents, namely Beijing, Jinan, Shenzhen, Guangzhou in the PRC; San Francisco, New York and Los Angeles in the US; Toronto and Vancouver in Canada; Sydney in Australia; and London in the UK.

For more information, please contact:

Miss Teri Chia
Corporate Communication Manager
Corporate Development
Global China Group Holdings Limited
Tel: 2830 0320
Email: terichia@globalchina.com

Miss Olivine Lo
Director
Corporate Communications Ltd
Tel: 2527 7077
Fax: 2529 5336
Email: olivine@corpcom.com.hk