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首長四方(集團)有限公司*
SHOUGANG CONCORD GRAND
(GROUP) LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 730)

DISCLOSEABLE AND
CONNECTED TRANSACTION



環球數碼創意控股有限公司*
GLOBAL DIGITAL CREATIONS
HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 8271)

DISCLOSEABLE AND
CONNECTED TRANSACTION

PROPOSED ACQUISITION OF 100% INTEREST IN
SHOUGANG GDC MEDIA HOLDING LIMITED

On 14 August 2007, GDC Holdings, a wholly-owned subsidiary of GDC entered into the Agreement with Shougang Holding for the acquisition of 100% interest in the issued share capital of Shougang GDC Media from Shougang Holding for a consideration of HK\$42 million which will be paid as to HK\$41.5 million as deposit within one month from the date of the Agreement and as to HK\$0.5 million at Completion. The sole asset of Shougang GDC Media is its right to participate in 49% interest in PRC Media JV, which in turn, when duly established, will principally engage in the deployment of digital cinema network and related businesses in the PRC. Shougang Holding undertakes that the Deposit will be injected into Shougang GDC Media as interest-free shareholders' loan, which will be assigned to GDC Holdings at Completion at nil consideration.

The Acquisition constitutes a discloseable transaction for each of GDC under Chapter 19 of the GEM Listing Rules and SCG under Chapter 14 of the Listing Rules. As Shougang Holding holds an approximately 40.45% interest in SCG, which in turn, holds approximately 50.76% interest in GDC, Shougang Holding is a connected person of each of GDC and SCG, and the Acquisition also constitutes a connected transaction for each of GDC and SCG and is subject to the approval of the independent shareholders by way of poll at the respective SGM of GDC and SCG. Shougang Holding and its associates will abstain from voting at such SGM to be held by GDC and SCG to approve the Agreement and the transaction contemplated therein.

Each of GDC and SCG will form an independent board committee to advise their respective independent shareholders on the terms of the Agreement. Each of GDC and SCG will also appoint an independent financial adviser to advise their respective independent board committee and their respective independent shareholders in this regard. Circulars of each of SCG and GDC containing further information on the Agreement, together with, among other things, a notice of the SGM of each of SCG and GDC will be despatched to their respective shareholders in accordance with the requirements of the Listing Rules or the GEM Listing Rules (as appropriate) as soon as practicable.

THE AGREEMENT DATED 14 AUGUST 2007

Parties

Purchaser: GDC Holdings, a wholly-owned subsidiary of GDC

Vendor: Shougang Holding

Asset to be acquired

The Sale Share, being the entire issued share capital of Shougang GDC Media. The sole asset of Shougang GDC Media is its right to participate in 49% interest in PRC Media JV, which in turn, when duly established will principally engage in the deployment of digital cinema network and related businesses in the PRC. The remaining 51% interest in PRC Media JV will be owned by China Film when it is duly established.

Consideration

HK\$42 million, which will be settled:-

- as to HK\$41.5 million, being the Deposit, to be payable within one month from the date of the Agreement; and
- as to the balance of HK\$0.5 million, to be payable at Completion.

Shougang Holding undertakes that the Deposit will be injected into Shougang GDC Media as an interest-free shareholder's loan and will be used as to RMB19.6 million by Shougang GDC Media as its 49% committed registered capital for PRC Media JV, with the remaining balance as working capital of Shougang GDC Media. The interest-free shareholder's loan will be assigned to GDC Holdings at Completion at nil consideration.

The Consideration was determined after arm's length negotiation between the parties based on normal commercial terms with reference to the 49% capital requirements in the registered capital of PRC Media JV and the working capital requirements of Shougang GDC Media in future. GDC will finance the Consideration from part of the placing proceeds raised from the share placement announced by GDC on 4 July 2007.

The respective directors of SCG and GDC (excluding their respective independent non-executive directors who will opine on the Acquisition after having considered the advice of the independent financial adviser) consider that the terms of the Agreement are fair and reasonable so far as SCG, GDC and their respective shareholders are concerned.

Conditions to Completion

Completion of the Acquisition shall be conditional upon:

- the passing of an ordinary resolution by the independent shareholders by way of poll at the SGM of each of SCG and GDC to approve the Agreement and the transaction contemplated therein in compliance with the Listing Rules and the GEM Listing Rules;
- the establishment of PRC Media JV being approved by the relevant PRC government authorities; and
- the business licence of PRC Media JV being issued by the State Administration for Industry and Commerce of the PRC.

If any of the above conditions are not fulfilled on or before 31 December 2007 or such other date as may be agreed between the parties, the Agreement shall forthwith become null and void and cease to have any effect whatsoever and neither party shall have any claims against the other for costs, damages, compensations or otherwise (save for any antecedent breach). If the Agreement becomes null and void, the Deposit shall be forthwith refunded by Shougang Holding to GDC Holdings together with an interest calculated at a rate of 6% per annum.

Completion will take place on the third business day following the fulfilment of all condition precedents to the Agreement.

INFORMATION ON SHOUGANG GDC MEDIA AND PRC MEDIA JV

Shougang GDC Media

Shougang GDC Media is a special purpose vehicle established with an aim of holding the interest in PRC Media JV and was incorporated on 19 January 2007 in Hong Kong. The sole asset of Shougang GDC Media is its right to participate in 49% interest in PRC Media JV. The formation of PRC Media JV has been approved by 國家廣播電影電視總局電影管理局 (The Film Bureau of the State Administration of Radio, Film and Television) but is pending approvals from other PRC government authorities. Upon establishment, PRC Media JV will principally engage in the deployment of digital cinema network and related businesses in the PRC. The total capital commitment of Shougang GDC Media in PRC Media JV is RMB19.6 million (equivalent to approximately HK\$20.2 million), representing 49% of the registered capital of PRC Media JV.

PRC Media JV

The joint venture agreement was entered into on 24 May 2007 between Shougang GDC Media and China Film. Principal terms of the joint venture agreement are set out as follows:

- Subject matter:** Establishment of a sino-foreign equity joint venture to be owned as to 49% by Shougang GDC Media and as to 51% by China Film.
- Scope of business:** To engage in the deployment of digital cinema network and related businesses in the PRC.
- Scale of operation:** Stage one:

To install approximately 700 units of digital cinema integrated projection system in the PRC by 2007.

Stage two:

To install approximately 2,000 units of digital cinema integrated projection system in the PRC by 2008.
- Term:** 10 years from the date of issue of the business licence of PRC Media JV.
- Capital structure:** Registered capital:
RMB40 million, which will be contributed by the following parties at the date of application of the business license of PRC Media JV:
- (i) Shougang GDC Media to contribute in cash its 49% capital contribution in US\$ in the amount equivalent to RMB19.6 million (equivalent to approximately HK\$20.2 million); and
 - (ii) China Film to contribute in cash its 51% capital contribution for the amount of RMB20,400,000 (equivalent to approximately HK\$21.0 million).
- Profit distribution:** Profits of PRC Media JV will be distributed in accordance with the proportion of the registered capital held by Shougang GDC Media and China Film, respectively.
- Board composition:** The board of PRC Media JV will comprise five members. Shougang GDC Media will have the right to nominate two members and China Film will have the right to nominate three members to the board of PRC Media JV.

REASONS FOR THE ACQUISITION

The SCG Group is principally engaged in property investment and management, provision of financial services and provision of cultural recreation content. The GDC Group is principally engaged in the digital content business, encompassing creation, production and distribution of digital content. On 31 October 2006, GDC announced that its wholly-owned subsidiary entered into a co-operation agreement with China Film to jointly promote digital cinema business in the PRC. The Acquisition represents a further step for GDC to participate in the deployment of digital cinema business in the PRC by participating in the operation of PRC Media JV, which will principally be engaged in the deployment of digital cinema network and related businesses in the PRC. GDC will treat its attributable 49% interest in PRC Media JV as a long-term investment, and will equity account for its interest in PRC Media JV. With the expertise of GDC in digital content distribution and exhibitions, the respective directors of SCG and GDC consider the Acquisition is in the interest of SCG, GDC and their respective shareholders as a whole.

GENERAL

The Acquisition constitutes a discloseable transaction for each of GDC under Chapter 19 of the GEM Listing Rules and SCG under Chapter 14 of the Listing Rules. As Shougang Holding holds an approximately 40.45% interest in SCG, which in turn, holds approximately 50.76% interest in GDC, Shougang Holding is a connected person of each of GDC and SCG, and the Acquisition also constitutes a connected transaction for each of GDC and SCG and is subject to the approval of the independent shareholders by way of poll at the respective SGM of GDC and SCG. Shougang Holding and its associates will abstain from voting at such SGM to be held by GDC and SCG to approve the Agreement and the transaction contemplated therein.

Each of GDC and SCG will form an independent board committee to advise their respective independent shareholders on the terms of the Agreement. Each of GDC and SCG will also appoint an independent financial adviser to advise their respective independent board committee and their respective independent shareholders in this regard. Circulars of each of SCG and GDC containing further information on the Agreement, together with, among other things, a notice of the SGM of each of SCG and GDC will be despatched to their respective shareholders in accordance with the requirements of the Listing Rules or the GEM Listing Rules (as appropriate) as soon as practicable.

DEFINITIONS

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

“associates”	has the meaning as ascribed to it under the Listing Rules and the GEM Listing Rules
“Acquisition”	the acquisition by GDC Holdings of the Sale Share pursuant to the terms and conditions of the Agreement

“Agreement”	the agreement dated 14 August 2007 entered into between Shougang Holding and GDC Holdings in relation to the Acquisition as more particularly set out under the section headed “THE AGREEMENT DATED 14 AUGUST 2007” of this announcement
“connected person”	has the meaning as ascribed to it under in the Listing Rules and the GEM Listing Rules
“Completion”	completion of the Agreement
“Consideration”	the consideration of HK\$42,000,000
“China Film”	China Film Group Corporation (中國電影集團公司), a company incorporated in the PRC, a third party independent of each of GDC, SCG and their respective connected persons
“Deposit”	part of the Consideration, being HK\$41,500,000, to be payable within one month from the date of the Agreement
“GDC”	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability whose securities are listed on GEM
“GDC Group”	GDC and its subsidiaries
“GDC Holdings”	GDC Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of GDC
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM and any amendments thereto
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange and any amendments thereto
“PRC”	the People's Republic of China but excluding, for the purposes of the Agreement and this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Media JV”	中影首鋼環球數碼數字影院建設(北京)有限公司 (CFGDC Digital Cinema Company Limited), a sino-foreign joint venture to be incorporated in the PRC
“Sale Share”	one share of HK\$1.00 each in the share capital of Shougang GDC

	Media, being the entire issued share capital of Shougang GDC Media
“SCG”	Shougang Concord Grand (Group) Limited, a company incorporated in Bermuda with limited liability whose securities are listed on the main board of the Stock Exchange and the holding company of GDC
“SCG Group”	SCG and its subsidiaries
"SGM"	the special general meeting of SCG or GDC (as the case may be) to be held for the purpose of approving the Agreement and the transaction contemplated therein
“Shougang GDC Media”	Shougang GDC Media Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Shougang Holding as at the date of this announcement
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and the substantial shareholder of SCG
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of United States

In this announcement, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 = HK\$7.78 and conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.03. No representation is made that any amount in HK\$ could have been or could be converted at the above rate or at any other rates or at all.

By Order of the Board of
**SHOUGANG CONCORD GRAND
(GROUP) LIMITED**
Cao Zhong
Vice Chairman and Managing Director

By Order of the Board of
**GLOBAL DIGITAL CREATIONS
HOLDINGS LIMITED**
Chen Zheng
Chief Executive Officer and Executive Director

16 August 2007

As at the date of this announcement, the board of SCG comprises Mr. Wang Qinghai (Chairman), Mr. Cao Zhong (Vice Chairman and Managing Director), Mr. Chen Zheng (Managing Director of Operations), Mr. Wang Tian (Deputy Managing Director), Mr. Yuan Wenxin (Deputy Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Tam King Ching, Kenny (Independent Non-executive Director), Ms. Zhou Jianhong (Independent Non-executive Director) and Mr. Yip Kin Man, Raymond (Independent Non-executive Director).

As at the date of this announcement, the board of GDC comprises Mr. Cao Zhong (Chairman and Executive Director), Mr. Chen Zheng (Chief Executive Officer and Executive Director), Mr. Jin Guo Ping (Vice President and Executive Director), Dr. Xu Qing, Catherine (Vice President and Executive Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Kwong Che Keung, Gordon (Independent Non-executive Director), Professor Bu Fan Xiao (Independent Non-executive Director) and Mr. Hui Hung, Stephen (Independent Non-executive Director).

This announcement, for which the directors of GDC collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to GDC. The directors of GDC, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable. This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.

** For identification purpose only*