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SHOUGANG CONCORD GRAND (GROUP) LIMITED

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



GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED

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

Voluntary conditional share exchange offer by



DBS Asia Capital Limited

on behalf of Upper Nice Assets Limited, a wholly-owned subsidiary of
Shougang Concord Grand (Group) Limited, to acquire all the issued
shares of, and a voluntary conditional cash offer to cancel all outstanding options of,



Global Digital Creations Holdings Limited

(other than those already owned by the Offeror and parties acting in concert with it)

and

Major Transaction of Shougang Concord Grand (Group) Limited

Financial adviser to
Shougang Concord Grand (Group) Limited
in respect of the Offers and the major transaction



DBS Asia Capital Limited

Financial adviser to
Global Digital Creations Holdings Limited
in respect of the Offers



博大資本國際有限公司
Partners Capital International Limited

The Offers

On 1 November 2004, SCG approached the board of GDC for a possible investment opportunity and on 15 November 2004, the Offeror proposed to make a voluntary conditional offer to acquire all the issued GDC Shares and cancel all the outstanding GDC Options (other than those already owned by the Offeror and parties acting in concert with it).

Major Transaction

The Offers constitute a major transaction of SCG under the Listing Rules and are subject to the approval by shareholders of SCG at a special general meeting. SCG will convene a special general meeting to approve the Offers and the issue of new SCG Shares under the Share Exchange Offer.

Despatch of Circular and Offer Document

A circular containing, among other things, the notice of the special general meeting and further details of the Offers will be despatched to the shareholders of SCG within 21 days from the publication of this announcement.

The Offeror will despatch the Offer Document to the GDC Shareholders and GDC Optionholders setting out the terms and other details of the Offers, together with acceptance and transfer forms within 21 days from the publication of this announcement.

Despatch of Offeree Document

Within 14 days from the posting of the Offer Document, GDC is required to despatch a response document to GDC Shareholders and GDC Optionholders in respect of the Offers. An independent board committee will be appointed to advise the GDC Independent Shareholders and GDC Optionholders in respect of the Offers. An independent financial adviser will be appointed to advise the independent board committee of GDC, GDC Independent Shareholders and GDC Optionholders.

Suspension and Resumption of Trading

At the request of SCG, trading in the SCG Shares has been suspended at 9:30 a.m. on 16 November 2004 pending the release of this announcement. An application has been made by SCG to the Stock Exchange for the resumption of trading of the SCG Shares from 9:30 a.m. on 22 November 2004.

At the request of GDC, trading in the GDC Shares has been suspended at 9:30 a.m. on 1 November 2004 pending the release of this announcement. An application has been made by GDC to the Stock Exchange for the resumption of trading of the GDC Shares from 9:30 a.m. on 22 November 2004.

The Offers are subject to conditions described above and accordingly may lapse if they do not become unconditional. The GDC Shareholders, shareholders of SCG and investors of SCG and GDC should exercise caution when dealing in GDC Shares and the SCG Shares.

INTRODUCTION

Reference is made to the announcement by GDC dated 10 November 2004 whereby it was stated that negotiations between an independent third party and GDC were underway and that trading in GDC Shares continued to be suspended pending further notice.

The independent third party which was referred to under that announcement was SCG.

On 1 November 2004, SCG approached the board of GDC for a possible investment opportunity and on 15 November 2004, the Offeror proposed to make a voluntary conditional offer to acquire all the issued GDC Shares and cancel all the outstanding GDC Options (other than those already owned by the Offeror and parties acting in concert with it).

As at the date of this announcement, the Offeror and the parties acting in concert with it are not beneficial owners of any GDC Shares or GDC Options. The Offeror and its concert parties have not traded in any GDC Shares in the six-month period before the date of this announcement.

THE OFFERS

The Offers will be made by DBS Asia on behalf of the Offeror on the following basis:

For every 10 GDC Shares

3 new SCG Shares

For cancellation of each outstanding GDC Option

HK\$0.01 in cash

The Share Exchange Offer

The share exchange offer of 3 SCG Shares for every ten GDC Shares has been determined by the Offeror with reference to the closing price of the SCG Shares as quoted on the Stock Exchange on 15 November 2004, which was HK\$0.56. This translates into a value of approximately HK\$0.17 per GDC Share.

The highest and lowest closing prices at which the GDC Shares were traded on the Stock Exchange during the six-month period immediately prior to the Last Trading Day, were HK\$0.44 and HK\$0.11 on 13 May 2004 and 27 October 2004, respectively.

Based on the closing price of HK\$0.56 per SCG Share as quoted on the Stock Exchange on 15 November 2004, the Share Exchange Offer:

- (a) represents a premium of approximately 48% to the closing price of HK\$0.115 per GDC Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) represents a premium of approximately 33% to the average closing price of approximately HK\$0.128 per GDC Share for the last ten trading days up to and including the Last Trading Day;
- (c) represents a premium of approximately 35% over the average closing price of approximately HK\$0.126 per GDC share for the one-month period up to and including the Last Trading Day; and
- (d) represents a premium of approximately 113% to the audited consolidated net asset value per GDC Share of approximately HK\$0.08 as at 31 December 2003 (based on the audited consolidated net assets of approximately HK\$68 million and 800,820,000 GDC Shares in issue as at 31 December 2003) and a premium of approximately 143% to the unaudited consolidated net asset value per GDC Share of approximately HK\$0.07 as at 30 June 2004 (based on the unaudited consolidated net assets of approximately HK\$57 million and 800,820,000 GDC Shares in issue as at 30 June 2004).

The Option Offer

As at the date of this announcement, GDC has 22,631,615 outstanding GDC Options, out of which Sotas Limited has been granted an option to subscribe for 8,331,615 new GDC Shares. The exercise in full of the 22,631,615 GDC Options would result in the issue of additional 22,631,615 GDC Shares (representing 2.75% of the enlarged issued share capital of GDC as enlarged by the issue of GDC Shares pursuant to the exercise of the GDC Options).

Based on the aggregate exercise price of US\$600,000 (approximately HK\$4,680,000) entitling Sotas Limited to subscribe for 8,331,615 new GDC Shares, the exercise price of the outstanding GDC Options for Sotas Limited is derived as approximately HK\$0.56 per GDC Share. As the exercise prices for the outstanding GDC Options range from HK\$0.401 to HK\$0.56 per GDC Option, the GDC Options are thus currently “out of money” and therefore, the Option Offer Price shall be a nominal value of HK\$0.01 in cash per GDC Option.

Save for the GDC Options, GDC has no other convertible securities, options, derivatives or warrants outstanding and has not entered into any agreement for the issue of any convertible securities, options, warrants or derivatives of GDC.

Total consideration for the Offers

As at the date of this announcement, there are a total of 800,820,000 GDC Shares in issue. On the basis of the Share Exchange Offer of 3 new SCG Shares for every ten GDC Shares and based on the closing price of HK\$0.56 per SCG Share as quoted on the Stock Exchange on 15 November 2004, the price for each GDC Share under the Share Exchange Offer is approximately HK\$0.17 per GDC Share. The entire issued share capital of GDC is valued at approximately HK\$136 million.

On the basis of the GDC Option Offer Price for cancellation of each outstanding GDC Option, the 22,631,615 outstanding GDC Options are valued at approximately HK\$226,316.

Terms of the Offers

Acceptance of the Share Exchange Offer or the Option Offer by any GDC Shareholder or GDC Optionholder will be deemed to constitute a warranty by such person that all the GDC Shares or GDC Options (as the case may be) to be sold by such person under the Share Exchange Offer or the Option Offer (as the case may be) will be acquired free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, in the case of the GDC Shares, the right to receive dividends and distributions declared, made or paid, if any, on or after the date of this announcement.

The availability of the Share Exchange Offer to persons not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

Settlement

The share certificates of SCG will be despatched to the GDC Shareholders who have accepted the Share Exchange Offer within ten days of the later of the date on which the Offers become unconditional and date of receipt of duly completed valid acceptances.

GDC Shareholders should be aware that the Share Exchange Offer will be made for every 2,000 GDC Shares (representing one board lot of GDC Shares) and in the same proportion for any greater and lesser number of GDC Shares except that no fraction of a share in SCG will be issued. GDC Shareholders should also be aware that SCG Shares are traded in board lots of 1,000 shares and it is not proposed that any arrangements be made for the trading of odd lots of SCG Shares following the Share Exchange Offer.

CONDITIONS OF THE OFFERS

The Share Exchange Offer is conditional upon the following:

- (a) the Offers having been approved by the shareholders of SCG in a general meeting in accordance with the requirements under the Listing Rules;
- (b) each and every member of the GDC Group remaining solvent and not subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, provisional liquidator, receiver or other person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertakings of any member of the GDC Group from the date of this announcement up to the date when Conditions (a), (c), (d) and (e) are all satisfied;
- (c) no event having occurred on or before the date on which Condition (d) below has been fulfilled which would make the Offers or the acquisition of any of the GDC Shares by the Offeror and/or cancellation of the GDC Options void, unenforceable, illegal or unable to be proceeded or would impose any additional material conditions or obligations with respect to the Offers or any part thereof or the acquisition of any of the GDC Shares and/or cancellation of any GDC Options;
- (d) valid acceptances of the Share Exchange Offer having been received (and, where permitted, not withdrawn) by 4:00 p.m. on the Closing Date (or such later times(s) and/or date(s) as the Offeror may decide and the Executive may approve) in respect of the GDC Shares, which together with the GDC Shares already held by the Offeror and parties acting in concert with it, constitute more than 50% of the voting rights normally exercisable at general meetings of GDC; and

(e) the Stock Exchange granting the listing of, and permission to deal in, the new SCG Shares to be issued pursuant to the terms of the Share Exchange Offer.

The Offers may or may not become unconditional. Shareholders of SCG and GDC and investors should exercise caution when dealing in the SCG Shares and the GDC Shares.

WAIVER OF THE CONDITIONS OF THE OFFERS

SCG reserves the right to waive all or any of the Conditions (except Conditions (a), (d) and (e)) in whole or in part on or before the Closing Date.

Thus, if the Offeror does not receive valid acceptances of the Share Exchange Offer by the Closing Date, which together with the GDC Shares already held by the Offeror and parties acting in concert with it before or during the Offers will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of GDC, the Share Exchange Offer cannot become unconditional and the Offers will lapse unless they are revised or extended.

STAMP DUTY

Seller's and buyer's ad valorem stamp duty arising in connection with acceptances of the Share Exchange Offer, amounting to HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable in respect of the relevant acceptance will be borne by SCG.

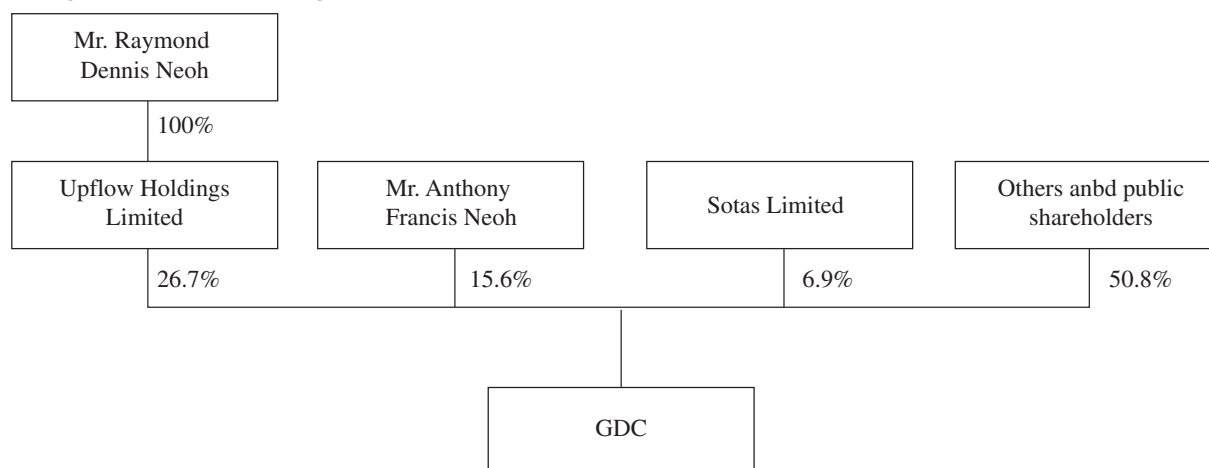
INFORMATION ON GDC

Headquartered in Hong Kong, the GDC Group is one of the leading groups providing an integrated value chain in the digital content business which encompasses computer graphics creation and production, distribution and exhibitions of digital content, and training of Computer Graphics artists in the Asia Pacific region.

Based on the latest published audited financial statements of GDC, the audited consolidated net loss before and after taxation of the GDC Group were approximately HK\$33,300,000 and approximately HK\$33,149,000 respectively for the financial year ended 31 December 2003. The unaudited consolidated net loss after taxation of the GDC Group was approximately HK\$27,801,000 for the nine months ended 30 September 2004 announced on 12 November 2004 pursuant to the GEM Listing Rules. The audited consolidated net asset of the GDC Group as at 31 December 2003 was approximately HK\$68 million (representing HK\$0.08 per GDC Share), and the unaudited consolidated net asset of the GDC Group as at 30 June 2004 was approximately HK\$57 million (representing HK\$0.07 per GDC Share).

The audited consolidated net loss before and after taxation of GDC were approximately HK\$17.4 million and approximately HK\$17.4 million respectively for the financial year ended 31 December 2002. Loss per GDC Share was approximately HK\$0.026 for the year ended 31 December 2002. The audited consolidated net assets of the GDC Group as at 31 December 2002 was approximately HK\$5.4 million.

The following is the shareholding structure of GDC as at the date of this announcement:—



INFORMATION ON THE OFFEROR AND SCG

The Offeror is a company incorporated in the British Virgin Islands on 18 February 1993 and is a wholly-owned subsidiary of SCG. The directors of the Offeror are Messrs. Cao Zhong and Chen Zheng, all of whom are also directors of SCG. The main business of the Offeror is investment holding. SCG is a Hong Kong-listed company incorporated in Bermuda. The principal activity of SCG is investment holding. The principal activities of the subsidiaries of SCG consist of property investment and management. As at the date of this announcement, Shougang Holding and Cheung Kong, through their subsidiaries, are the substantial shareholders of SCG, beneficially interested in 445,731,315 SCG Shares and 133,048,717 SCG Shares respectively, under the register kept by the Company under Section 336 of the Securities and Futures Ordinance representing approximately 47% and 14%, respectively, of the issued share capital of SCG.

Based on the latest published audited financial statements of SCG, the audited consolidated net profit before and after taxation of SCG were approximately HK\$26.6 million and approximately HK\$28.5 million respectively for the financial year ended 31 December 2003. Earnings per SCG Share was approximately HK\$0.03 and HK\$0.09 for the year ended 31 December 2003 and for the six months ended 30 June 2004 respectively. The unaudited consolidated net profit after taxation of SCG was approximately HK\$83.7 million for the six months ended 30 June 2004. The audited consolidated net asset of the SCG Group as at 31 December 2003 was approximately

HK\$632.0 million (or HK\$0.67 per share), and the unaudited consolidated net asset of the SCG Group as at 30 June 2004 was approximately HK\$343.2 million (or HK\$0.37 per share). The audited consolidated net profit before and after taxation of SCG were approximately HK\$1.5 million and approximately HK\$2.8 million respectively for the financial year ended 31 December 2002. Earnings per SCG Share was approximately HK\$0.003 for the year ended 31 December 2002. The audited consolidated net assets of the SCG Group as at 31 December 2002 was approximately HK\$619.7 million (or HK\$0.66 per share).

Neither Offeror nor parties acting in concert with it has dealt in the GDC Shares in the six-month period prior to the date of this announcement.

Assuming all GDC Shareholders accept the Share Exchange Offer, a total of 240,246,000 new SCG Shares will be issued, representing approximately 20.4% of the enlarged share capital of SCG or approximately 25.6% of the existing share capital of SCG. The shareholding structure of SCG, both before and after the completion of the Offers, assuming full acceptance of the Share Exchange Offer is as follows:–

| Name | Prior to completion of the Offers | | After completion of the Offers | |
|---|--------------------------------------|--------------|-----------------------------------|--------------|
| | No. of Shares held | % | No. of Shares held | % |
| Shougang Holding ⁽¹⁾ | 445,731,315 | 47.5 | 445,731,315 | 37.8 |
| Cheung Kong ⁽²⁾ | 133,048,717 | 14.2 | 133,048,717 | 11.3 |
| Mr. Raymond Dennis Neoh and Mr. Anthony Francis Neoh | – | – | 101,729,023 | 8.6 |
| Sotas Ltd and related parties | – | – | 16,663,231 | 1.4 |
| Others and public shareholders | 360,536,635 | 38.3 | 482,390,381 | 40.9 |
| Total | <u>939,316,667</u> | <u>100.0</u> | <u>1,179,562,667</u> | <u>100.0</u> |

Notes:

- Shougang Holding is a wholly-owned subsidiary of Shougang Corporation, a state-owned enterprise in Mainland China.
- By virtue of their interests in Cheung Kong, the following person and companies are each deemed to be interested in the Shares held by Cheung Kong:
Mr. Li Ka-Shing
Li Ka-Shing Unity Trustcorp Limited as a trustee of a discretionary trust holding units in the Li Ka-Shing Unity Trust.
Li Ka-Shing Unity Trustee Company Limited as trustee of the Li Ka-Shing Unity Trust.
Li Ka-Shing Unity Trustee Corporation Limited as trustee of the Li Ka-Shing Unity Discretionary Trust.

INTENTION OF MAJOR SHAREHOLDERS OF GDC

Two shareholders of GDC, namely Upflow Holdings Limited (which is wholly-owned by Mr. Raymond Dennis Neoh, a director of GDC) and Mr. Anthony Francis Neoh, a director of GDC, who together own 339,096,746 GDC Shares, representing approximately 42.34% of the existing issued share capital of GDC, have jointly provided an irrevocable undertaking to accept the Share Exchange Offer in respect of the above shareholding and to procure shareholders holding more than 50% of the existing issued share capital of GDC (including their shareholding of 42.34%) to accept the Share Exchange Offer. There is no penalty in the undertaking. The commitment does not include any GDC Options and the commitment will not be binding if a higher offer is made.

Save as disclosed, none of the directors of GDC, in aggregate holding 21,379,090 GDC Shares, being approximately 2.7% of the issued share capital of GDC and 14,300,000 GDC Options, have given any undertaking to accept or not to accept the Share Exchange Offer or the Option Offer up to the date of this announcement.

OFFEROR'S INTENTION IN RELATION TO THE GDC GROUP

Reasons for the Offers

The SCG Group is principally engaged in property investment and management in Hong Kong. The property market in Hong Kong has experienced a significant downturn since 1997. Although the property market has improved since the beginning of 2004, the improved market conditions apply, to a large extent, to newly constructed residential projects. The difficult market conditions in local property market have caused the SCG Group to take a fresh look at its core business in Hong Kong. During the year, the Group has disposed of certain of its properties and the Directors believe that the SCG Group should take advantage of the window of opportunity so that resources could be better applied in other investment opportunities that offer a more attractive return. In this regard, the Group has been exploring new business opportunities with a view to diversifying its existing business. The Directors believe that the multimedia sector offers promising prospects and the SCG Group has initiated projects in this sector. The Directors consider that the investment in GDC will signify a meaningful step towards this direction and provide the Group with a solid platform for its diversification.

The Directors also believe that the transaction will be beneficial to both the shareholders of SCG and GDC by combining the expertise of GDC in the computer graphics and multimedia sector with the strong business connections of SCG. After the transaction, SCG will explore ways to further GDC's business in the PRC.

Appointment of Directors

Subject to the Offers becoming unconditional and subject to compliance with the Takeovers Code, in particular not earlier than the posting of the Offer Document, the Offeror intends to appoint two directors to the board of GDC. It is the intention of the Offeror to nominate Mr. Cao Zhong as non-executive director and Mr. Chen Zheng as executive director to the board of directors of GDC. Apart from the additional appointments, the Offeror does not intend to make any changes to the current board composition of GDC. The Offeror also does not have any intention to make any major changes to the management structure save for the above appointments.

Intention of the Offeror regarding GDC

SCG does not intend to make any changes to the current business operations of GDC, apart from the appointment of directors stated above. The Offeror and SCG have not decided whether to maintain the listing of GDC on GEM or to effect the compulsory acquisition of GDC in the event that the Offeror is permitted to do so under the Companies Act and the Takeovers Code. Further announcement will be made in this respect accordingly.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where the Offeror seeks to acquire or privatize GDC by means of the Offers and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirements imposed by the Companies Act, acceptance of the Offers and purchases (in each case of the disinterested shares) made by the Offeror and persons acting in concert with it during the period of four months after posting the Offer Document total 90% of the disinterested shares.

The Directors have undertaken and the new directors to be nominated by the Offeror and appointed to the board of directors of GDC will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that public float exists in the GDC Shares if listing is to be maintained.

The Stock Exchange has stated that if, upon the close of the Offers, less than 25% of the GDC Shares are held by the public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the GDC Shares; or
- there are insufficient GDC Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend trading in the GDC Shares until a level of sufficient public float is attained.

So long as GDC remains a listed company, the Stock Exchange will also closely monitor all future acquisitions or disposals of assets of GDC. Any acquisitions or disposals of assets by the GDC Group will be subject to the provisions of the GEM Rules. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require GDC to issue an announcement and a circular to the GDC shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of GDC. The Stock Exchange also has the power to aggregate a series of acquisitions or disposals of GDC and any such transactions may result in GDC being treated as if it were a new listing applicant and subject to the requirements for new listing applicants as set out in the GEM Rules.

Availability of the Offers

The Offer Document will be sent to the GDC Shareholders and the GDC Optionsholders, including those with a registered address outside Hong Kong. However, the availability of the Offers to persons not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Subject to compliance with the Takeovers Code, the Offeror reserves the right to make special arrangements regarding the terms of the Offers in relation to holders of GDC Shares and GDC Options. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

WARNING

The Offers are subject to conditions described above and accordingly may lapse if they do not become unconditional. The GDC Shareholders, shareholders of SCG and investors of SCG and GDC should exercise caution when dealing in GDC Shares and the SCG Shares.

MAJOR TRANSACTION

As the Offers constitute a major transaction of SCG under the Listing Rules, the Offers and the issue of new SCG Shares are subject to the approval by shareholders of SCG at a special general meeting. SCG will convene a special general meeting to approve, inter alia, the Offers and the issue of new SCG Shares under the Share Exchange Offer by special mandate.

The interest of the controlling shareholders of SCG in the Offers is the same as those of the other shareholders of SCG and no shareholder is required to abstain from voting. Each of Wheeling Holdings, a wholly-owned subsidiary of Shougang Holding, which is interested in approximately 45.83% of the issued share capital of SCG as at the date of this announcement, and Max Same Investment Limited, a wholly-owned subsidiary of Cheung Kong, which is interested in approximately 9.74% of the issued share capital of SCG as at the date of this announcement, Wheeling Holdings and Max Same hold in aggregate more than 50% of the issued share capital of SCG, has confirmed to SCG that it does not have any interest in the Offers and that it intends to vote in favour of the resolution approving the making of the Offers and the transactions contemplated thereunder at the special general meeting of SCG. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the controlling shareholders of GDC are independent third parties not connected with SCG or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their associates. SCG and GDC do not have any common director.

DESPATCH OF CIRCULAR AND OFFER DOCUMENT

A circular containing, among other things, the notice of the special general meeting and further details of the Offers will be despatched to the shareholders of SCG within 21 days from the publication of this announcement.

The Offeror will despatch the Offer Document to GDC Shareholders and GDC Optionholders setting out the terms and other details of the Offers, together with acceptance and transfer forms within 21 days from the publication of this announcement.

DESPATCH OF RESPONSE DOCUMENT

Within 14 days from the posting of the Offer Document, GDC is required to despatch a response document to GDC Shareholders and GDC Optionholders in respect of the Offers. An independent board committee will be appointed to advise the GDC Independent Shareholders and GDC Optionholders in respect of the Offers. An independent financial adviser will also be appointed to advise the independent board committee of GDC and the GDC Independent Shareholders and GDC Optionholders.

GENERAL

The Offers are made on an arm's length basis and the Directors believe that the terms of the Offers are fair and reasonable and in the interests of the SCG Shareholders as a whole.

An application will be made to the Stock Exchange for the granting of the listing of and permission to deal in the new SCG Shares to be issued under the Share Exchange Offer.

DBS Asia has been appointed the financial adviser to the Offeror in respect of the Offers. Partners Capital International Limited has been appointed as the financial adviser to GDC in respect of the Offers.

SUSPENSION AND RESUMPTION OF TRADING

At the request of SCG, trading in the SCG Shares has been suspended at 9:30 a.m. on 16 November 2004 pending the release of this announcement. An application has been made by SCG to the Stock Exchange for the resumption of trading of the SCG Shares from 9:30 a.m. on 22 November 2004.

At the request of GDC, trading in the GDC Shares has been suspended at 9:30 a.m. on 1 November 2004 pending the release of this announcement. An application has been made by GDC to the Stock Exchange for the resumption of trading of the GDC Shares from 9:30 a.m. on 22 November 2004.

DEFINITIONS

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

| | |
|--------------------------------|--|
| "acting in concert" | has the meanings ascribed to it in the Takeovers Code |
| "Board" | the board of Directors |
| "Cheung Kong" | Cheung Kong (Holdings) Limited |
| "Closing Date" | the date to be stated in the Offer Document as the first closing date of the Offer or any subsequent closing date(s) as may be announced by the Offeror and approved by the Executive |
| "Companies Act" | the Bermuda Companies Act 1981 of Bermuda (as amended) |
| "Conditions" | the conditions of the Offers |
| "DBS Asia" | DBS Asia Capital Limited, a deemed licensed corporation to carry out regulated activities of dealing of securities, advising on securities, under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| "Directors" | the director(s) of SCG |
| "Executive" | the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director |
| "GDC" | Global Digital Creations Holdings Limited, a company incorporated in the Cayman Islands, the securities are listed on the GEM |
| "GDC Group" | GDC and its subsidiaries |
| "GDC Independent Shareholders" | GDC Shareholders excluding the Offeror and parties acting in concert with them |
| "GDC Option(s)" | share options which remain outstanding as at the date of this announcement and were granted by GDC to (i) eligible participants conferring on the grantee thereof the right to subscribe for one new share at an exercise price of HK\$0.401 per GDC Share pursuant to a share option scheme of GDC adopted on 18th July, 2003 and (ii) to Sotas Limited on 5th June, 2003 entitling Sotas Limited to subscribe for 8,331,615 new GDC Shares at an aggregate exercise price of US\$600,000 |
| "GDC Optionholder(s)" | holder(s) of GDC Option(s) |
| "GDC Share(s)" | share(s) of HK\$0.01 each in the capital of GDC |
| "GDC Shareholder(s)" | holder(s) of GDC Share(s) |
| "GEM" | the Growth Enterprise Market operated by the Stock Exchange |
| "GEM Rules" | the Rules Governing the Listing of Securities on GEM |

| | |
|------------------------|---|
| “Last Trading Day” | 29 October 2004, being the last trading day prior to the suspension of trading in the GDC Shares on 1 November 2004 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Offers” | the Share Exchange Offer and the Option Offer |
| “Offer Document” | the document to be issued by or on behalf of the Offeror to all holders of GDC Shares and GDC Options in accordance with the Takeovers Code containing, inter alia, details of the Offers, the acceptance and transfer forms, and the terms and conditions of the Offers or, where applicable, the composite document to be issued by or on behalf of the Offeror and GDC |
| “Offeror” | Upper Nice Assets Limited, an indirect wholly-owned subsidiary of SCG |
| “Option Offer Price” | HK\$0.01 per GDC Option |
| “Option Offer” | the voluntary conditional cash offer for the GDC Options |
| “PRC” | People’s Republic of China |
| “SCG” | Shougang Concord Grand (Group) Limited, a company incorporated in Bermuda whose securities are listed on the Main Board of the Stock Exchange |
| “SCG Group” | SCG and its subsidiaries |
| “SCG Share(s)” | share(s) of HK\$0.01 each in the capital of SCG |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “Share Exchange Offer” | the voluntary conditional share exchange offer of 3 SCG Shares for every 10 GDC Shares |
| “Shougang Holding” | Shougang Holding (Hong Kong) Limited, the controlling shareholder of SCG which is beneficially interested in approximately 47.45% of the issued share capital of SCG under the register kept by the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Wheeling Holdings” | Wheeling Holdings Limited, a wholly-owned subsidiary of Shougang Holding and is interested in approximately 45.83% in the issued share capital of SCG under the register kept by the Company |

By Order of the Board
Shougang Concord Grand (Group) Limited
Cao Zhong
Vice Chairman

By Order of the Board
Global Digital Creations Holdings Limited
Dr. Deng Wei
Vice Chairman

Hong Kong, 19 November 2004

The directors of SCG and the Offeror jointly and severally accept full responsibility for the accuracy of the information (other than that in respect of the GDC Group) in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, 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 statement in this announcement misleading.

The directors of GDC jointly and severally accept full responsibility for the accuracy of the information (other than that in respect of the SCG Group and the Offeror) in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, 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 statement in this announcement misleading.

As at the date of this announcement, the board of directors of SCG comprises Wang Qinghai (Chairman), Cao Zhong (Vice Chairman), Chen Zheng (Executive Director), Wang Tian (Executive Director), Cheng Xiaoyu (Executive Director), Leung Shun Sang, Tony (Non-executive Director), Choy Hok Man, Constance (Non-executive Director), Tam King Ching, Kenny (Independent Non-executive Director), Hui Hung Stephen (Independent Non-executive Director) and Zhou Jianhong (Independent Non-executive Director).

As at the date of this announcement, the board of directors of GDC comprises Mr. Anthony Francis Neoh (Chairman and non-executive Director); Dr. David Deng Wei (Vice-chairman and non-executive Director); Mr. Raymond Dennis Neoh (executive Director); Mr. Stephen Scharf (non-executive Director); Mr. Gordon Kwong Che Keung, Professor Japhet Sebastian Law and Mr. Paul Kwan (independent non-executive Directors).

This announcement will remain on the GEM website at www.hkgem.com for at least 7 days from the day of its posting and at GDC’s website www.gdc-world.com.