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

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

PROPOSED REDUCTION OF SHARE PREMIUM

The Board of the Company intends to put forward a proposal to the Shareholders for a reduction of the share premium account of the Company pursuant to section 46 of the Companies Act.

The Reduction of Share Premium will be conditional upon, (i) approval of the Shareholders at the Special General Meeting; and (ii) compliance with the requirements of section 46(2) of the Companies Act.

A circular containing, amongst others, details of the Reduction of Share Premium, will be sent to the Shareholders as soon as practicable.

PROPOSED REDUCTION OF SHARE PREMIUM

The Board of the Company intends to put forward a proposal to the Shareholders at the forthcoming Special General Meeting for a reduction of the share premium account of the Company pursuant to section 46 of the Companies Act.

As at 31 December 2007, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the share premium account of the Company was HK$589,670,093, the amount of the contributed surplus of the Company was HK$9,492,000 and the accumulated losses of the Company was HK$384,060,440. It is proposed that an amount of HK$589,670,093 standing to the credit of the share premium account of the Company as at 31 December 2007 will be reduced with the credit arising therefrom being transferred to the contributed surplus of the Company. Upon the said transfer becoming effective, an amount of HK$384,060,440 standing to the credit of the contributed surplus of the Company will be applied to eliminate the accumulated losses of the Company as at 31 December 2007.

The Reduction of Share Premium does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Reason for the Reduction of Share Premium

The Board considers that the Reduction of Share Premium will give the Company more flexibility to declare dividends to the Shareholders at the earliest opportunity in the future as and when the Board considers appropriate. The Board believes that the Reduction of Share Premium is in the interests of the Company and the Shareholders as a whole.

Effect of the Reduction of Share Premium

Implementation of the Reduction of Share Premium will not, of itself, affect the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole or the share capital of the Company other than related expenses incurred which will be immaterial.

The Reduction of Share Premium is conditional upon:

(i) the passing of a special resolution approving the Reduction of Share Premium by the Shareholders at the Special General Meeting; and

(ii) compliance with the requirements of section 46(2) of the Companies Act, including (a) publication of a notice in relation to the Reduction of Share Premium in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the date on which the Reduction of Share Premium is to have effect; and (b) the Board having satisfied that on the date the Reduction of Share Premium is to be effected, there are no reasonable grounds for believing that the Company is, or after the Reduction of Share Premium will be, unable to pay its liabilities as they become due.

In the event that the above conditions are fulfilled, it is expected that the Reduction of Share Premium will become effective on the date of the Special General Meeting, at which the relevant special resolution approving the Reduction of Share Premium will be considered and, if thought fit, passed by the Shareholders.

General

A circular containing, amongst others, details of the Reduction of Share Premium, together with a notice of the Special General Meeting and the related proxy form, will be sent to the Shareholders as soon as practicable.

DEFINITIONS

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

"Board"	the board of Directors
"Companies Act"	The Companies Act 1981 of Bermuda (as amended)
"Company"	Global Digital Creations Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
"Directors"	The directors of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Reduction of Share Premium"	the proposed reduction of an amount of HK$589,670,093 standing to the credit of the share premium account of the Company as at 31 December 2007

"Share(s)"	ordinary shares of HK$0.01 each (or of such other nominal amount as shall result from a sub-division or a consolidation of such shares from time to time) in the capital of the Company
"Shareholders"	registered holders of Shares
"Special General Meeting"	the special general meeting of the Company to be held to consider and, if thought fit, approve, among other things, the Reduction of Share Premium

By Order of the Board
Global Digital Creations Holdings Limited
Cao Zhong
Chairman

24 April 2008

As at the date of this announcement, the Board comprises Mr. Cao Zhong (Chairman), Mr. Chen Zheng (Managing Director), Mr. Jin Guo Ping (Deputy Managing Director), Ms. Lu Yi, Gloria (Deputy Managing 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 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 the Company. The Directors, 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; and (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 and on the Company's website at www.gdc-world.com.

* *For identification purposes only*