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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 share exchange offer by DBS Asia Capital Limited  
on behalf of Upper Nice Assets Ltd., 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 the outstanding options of,  
Global Digital Creations Holdings Limited (other than those already owned  
by the Offeror and parties acting in concert with it)**

**Major Transaction of Shougang Concord Grand (Group) Limited**

**Further announcement in respect of the possible investment in  
China Life Insurance (Overseas) Company Limited**

Further to the announcement of SCG on 28 January 2005, the directors of SCG and GDC wish to set out the potential impact of the memorandum signed with China Life Insurance (Overseas) Company Limited in respect of the proposed subscription of new shares in China Life (Overseas) Company Limited by SCG.

Further to the announcement of SCG on 28 January 2005 ("MOU Announcement"), the directors of SCG and GDC wish to set out the potential impact of the memorandum (the "Memorandum") signed with China Life Insurance (Overseas) Company Limited ("China Life (Overseas)") in respect of the proposed subscription of new shares in China Life (Overseas) by SCG (the "Proposed Transaction"). Terms defined herein shall have the same meanings as set out in the offer document of SCG dated 13 January 2005 (the "Offer Document"), unless otherwise stated.

As disclosed in the MOU Announcement, the directors of SCG have stated that the initial subscription price is proposed to be HK\$800 million for a 40% stake in the capital of China Life (Overseas), as enlarged by the Proposed Transaction. The consideration may be satisfied in cash from the Company's internal resources and/or borrowings and/or issue of securities or a combination of any of these methods. Based on the existing financial position of SCG, SCG may require further funds to finance the Proposed Transaction by way of borrowings and/or issue of securities and SCG's gearing ratio will be increased and/or the shareholders' interests in SCG will be diluted. However, no concrete terms have been reached in respect of the Proposed Transaction and the parties will commence due diligence and negotiation of the principal terms for the Proposed Transaction after the signing of the Memorandum. The Memorandum also gives SCG an exclusive right for a period of up to 30 June 2005 to consider the Proposed Transaction. In the circumstances, the directors of SCG are of the view that it is pre-mature to consider whether completion of the Proposed Transaction will have any impact on the Offers and/or SCG and/or GDC. The Proposed Transaction may or may not be finalized at the time of closing of the Offers and shareholders of SCG and investors should exercise caution in dealing with the securities of SCG.

As disclosed in the Offer Document, the SCG Group is principally engaged in property investment and management in Hong Kong. During the year 2004, the SCG Group has taken a fresh look at its core business and has disposed certain of its properties and the directors of SCG believe that the SCG Group's resources could be better applied in other investment opportunities that offer a more attractive return. In this regard, the directors of SCG also believe that the SCG Group may continue to dispose certain of its properties should any reasonable opportunities arise and apply the proceeds in new business opportunities, which include the multimedia sector and other sectors that, in the opinion of the directors of SCG, may achieve a more attractive return, to diversify its existing business.

The board of directors of GDC is of the view that the Memorandum, which is non binding in nature save for the exclusivity right and confidentiality provisions, merely represents the intention of SCG to consider the Proposed Transaction. Due diligence

review and valuation of the subscription shares have yet to be started and the principal terms of the formal subscription agreement have yet to be negotiated. Save for the information as disclosed in the MOU Announcement, no further information on the Proposed Transaction could be available to the board of directors of GDC. Accordingly, the board of directors of GDC at this stage could not come to any conclusion as to the possible impacts of the Proposed Transaction on the Offers. However, the board of directors of GDC would like to draw the attention of the GDC Shareholders to the MOU Announcement and advise the GDC Shareholders to take note of any further developments of the Proposed Transaction and bear the possibility of the Proposed Transaction as a new factor when considering whether they should accept the Share Exchange Offer.

First Shanghai Capital Limited ("First Shanghai"), the independent financial adviser to the independent board committee of GDC (the "Independent Board Committee"), has reviewed the MOU Announcement and the views of the directors of SCG and GDC in this announcement. As disclosed in the MOU Announcement, the directors of SCG have stated that the initial subscription price is proposed to be HK\$800 million. It is further disclosed in this announcement that the consideration may be satisfied in cash from SCG's internal resources and/or borrowings and/or issue of securities or a combination of any of these methods, and based on the existing financial position of SCG, SCG may require further funds to finance the Proposed Transaction by way of borrowings and/or issue of securities. Accordingly, SCG's gearing ratio will be increased and/or the shareholders' interests in SCG (including the shareholders' interests of GDC Shareholders who choose to accept the Share Exchange Offer in SCG after the completion of the Share Exchange Offer) will be diluted if SCG chooses to finance the Proposed Transaction by way of borrowings and/or issue of securities respectively. However, due to no further information on the Proposed Transaction would be made available to First Shanghai save as those stated in the MOU Announcement and this announcement, First Shanghai would not be able to further assess the possible impacts and/or extent of the possible impacts of the Proposed Transaction on the Offers. GDC Shareholders and GDC Optionholders are reminded that the recommendation of First Shanghai and Independent Board Committee as stated in the response document of GDC dated 27 January 2005 has not yet taken into consideration the possible impacts of the Proposed Transaction. GDC Shareholders are advised to take note of any further developments of the Proposed Transaction and the possible materialisation of the Proposed Transaction when considering whether they should accept the Offers.

As there is no assurance that the Proposed Transaction will be materialised, shareholders of SCG and investors should exercise caution in dealing with the securities of SCG. Further announcement(s) will be made by SCG in respect of the Proposed Transaction as and when appropriate.

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, 2 February 2005

*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](http://www.hkgem.com) for at least 7 days from the day of its posting and at GDC's website [www.gdc-world.com](http://www.gdc-world.com).*