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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)



**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)

## **COMPLETION OF PLACING OF EXISTING SHARES IN GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED**

**Financial Adviser and Placing Agent**



**Baron Capital Limited**

The respective boards of directors of SCG and GDC are pleased to announce that the completion of the Placing took place on 7 September 2005 where a total of 58,000,000 Placing Shares beneficially owned by Upper Nice were placed out to eight Placees at the Placing Price by Baron Capital.

Following the completion of the Placing, the shareholding of Upper Nice in GDC is diluted from approximately 82.22% to approximately 74.98% of the issued share capital of GDC. Upper Nice continues to be the single largest and controlling Shareholder after completion of the Placing. SCG and GDC confirm that none of the Placees hold more than 5% of the issued share capital of GDC and become a substantial Shareholder as at 7 September 2005.

On 7 September 2005, Upper Nice (as the grantor) and SCG (as the guarantor) entered into an Option Agreement with each of the Placees (as the grantee). Under the Option Agreements, Upper Nice has granted the Put Options to all the Placees whereby Upper Nice is obliged to purchase, upon exercise of the Put Options by the Placees, the number of the Option Shares in respect of which the Put Options are exercised at an initial Exercise Price of HK\$0.220 per Share on any Business Day within the Exercisable Period.

Since all the 58,000,000 Placing Shares were successfully placed to Placees, the minimum 25% public float of GDC is restored. However, in the event that all the Put Options are fully exercised by the Placees, the percentage of shareholding of Upper Nice and the other public Shareholders will be restored to approximately 82.22% and 17.78% of the total issued share capital of GDC respectively. Should the Placees exercise the Put Options in whole or in part, the public float of the Shares may drop below 25% and GDC may not comply with the minimum public float requirement in accordance with Rule 11.23 of the GEM Listing Rules.

**Shareholders and investors should exercise caution when dealing in the Shares.**

Reference is made to the joint announcement (the “Joint Announcement”) dated 25 August 2005 issued by Shougang Concord Grand (Group) Limited (“SCG”) and Global Digital Creations Holdings Limited (“GDC”) in respect of the Placing and the Put Options. Capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement unless the context otherwise requires.

## **PLACING**

The respective boards of directors of SCG and GDC are pleased to announce that the completion of the Placing took place on 7 September 2005 where a total of 58,000,000 Placing Shares beneficially owned by Upper Nice were placed out to eight Placees at the Placing Price by Baron Capital. The total of 58,000,000 Placing Shares represent approximately 7.24% of the existing issued share capital of GDC as at 7 September 2005. Baron Capital confirmed that none of the Placing Shares were placed to any of the eight Placees who is (i) connected with the directors, chief executives and substantial shareholders of each of the Vendor, SCG and GDC and their respective subsidiaries and their respective associate(s) (“connected person”); (ii) the person whose acquisition of securities has been financed directly or indirectly by a connected person of the Vendor, SCG and GDC; and (iii) the person who is accustomed to take instructions from a connected person in relation to the acquisition, disposal, voting or other disposition of securities of the Vendor, SCG and GDC registered in his/her name or otherwise held by him/her under Rule 8.24 of the Listing Rules and Rule 11.23(5) Note (3) of the GEM Listing Rules.

## Effect of completion of the Placing on the shareholding structure of GDC

Following the completion of the Placing, the shareholding of Upper Nice in GDC is diluted from approximately 82.22% to approximately 74.98% of the issued share capital of GDC. Upper Nice continues to be the single largest and controlling Shareholder after completion of the Placing. SCG and GDC confirm that none of the Placees hold more than 5% of the issued share capital of GDC and become a substantial Shareholder as at 7 September 2005. Set out the following table summarizes the effect of completion of the Placing Agreement on the shareholding structure of GDC:

Name	Immediately before completion of the Placing		Immediately after completion of the Placing		Immediately after all the Put Options are exercised in full	
	Number of issued Shares held	Percentage of shareholding	Number of issued Shares held	Percentage of shareholding	Number of issued Shares held	Percentage of shareholding
Upper Nice	658,466,023	82.22%	600,466,023	74.98%	658,466,023	82.22%
Public Shareholders						
– Placees	–	–	58,000,000	7.24%	–	–
– other public Shareholders	142,353,977	17.78%	142,353,977	17.78%	142,353,977	17.78%
Total public Shareholders	142,353,977	17.78%	200,353,977	25.02%	142,353,977	17.78%
<b>Total</b>	<b>800,820,000</b>	<b>100%</b>	<b>800,820,000</b>	<b>100%</b>	<b>800,820,000</b>	<b>100%</b>

## OPTION AGREEMENT

On 7 September 2005, Upper Nice (as the grantor) and SCG (as the guarantor) entered into an Option Agreement with each of the Placees (as the grantee). Under the Option Agreements, Upper Nice has granted the Put Options to all the Placees whereby Upper Nice is obliged to purchase, upon exercise of the Put Options by the Placees, the number of the Option Shares in respect of which the Put Options are exercised at an initial Exercise Price of HK\$0.220 per Share (both the Option Shares and the Exercise Price are subject to the adjustments in the event of, among others, capital reorganization, share consolidation, sub-division, reclassification, capitalization of profits or reserves, capital distribution, rights issue and other dilutive events) on any Business Day within the Exercisable Period.

The Placee(s) must hold the Shares in the event he/she exercises the Put Option and the number of Put Option to be exercised shall be in accordance with the number of the Shares which the Placee(s) hold(s) but not more than the Placee's initial subscription amount. In the event that a Placee exercises the Put Option, such Placee shall be entitled to sell up to all of the Option Shares beneficially owned by such Placee at the Exercise Price and Upper Nice is obliged to purchase the number of Option Shares in respect of which the Put Option is exercised at such Exercise Price.

## **PROCEEDS FROM THE PLACING**

The gross and net proceeds from the Placing received by Upper Nice amounted to approximately HK\$12,760,000 and HK\$12,340,000 respectively. The SCG Directors believe that the net proceeds from the Placing could strengthen both the cash-flow and working-capital position for SCG and accordingly maximize the value of the shareholders of SCG. The SCG Directors intend to apply all net proceeds of approximately HK\$12,340,000 arising from the Placing as part of the general working capital of SCG group as cash reserve and the part of the balance not yet utilized will be deposited in the banks in Hong Kong.

## **RESTORATION OF PUBLIC FLOAT FOR THE SHARES**

Since all the 58,000,000 Placing Shares were successfully placed to eight Placees, the minimum 25% public float of GDC is restored. However, in the event that all the Put Options are fully exercised by the Placees, the percentage of shareholding of Upper Nice and the other public Shareholders will be restored to approximately 82.22% and 17.78% of the total issued share capital of GDC respectively. Should the Placees exercise the Put Options in whole or in part, the public float of the Shares may drop below 25% and GDC may not comply with the minimum public float requirement in accordance with Rule 11.23 of the GEM Listing Rules.

SCG and GDC will closely monitor the sufficiency of the public float of the Shares and will take all necessary steps to comply with the minimum public float requirement in accordance with Rule 11.23 of the GEM Listing Rules. SCG had also undertaken to the Stock Exchange that if it comes to their notice that GDC will not be able to comply with the minimum public float requirement under Rule 11.23 of the GEM Listing Rules as a result of exercise of any Put Option by any of the Placees and/or occurrence of other events that lead to insufficient public float of the Shares as required under Rule 11.23 of the GEM Listing Rules, SCG and GDC will notify the Stock Exchange for insufficiency of the public float of the Shares on the same date of exercise of such Put Options and/or the same date of occurrence of any events that lead to insufficient public float of the Shares. GDC will also take all necessary steps to restore the public float and an announcement will be issued to inform the Shareholders immediately.

**In the event that GDC will not be able to comply with the minimum public float requirement under Rule 11.23 of the GEM Listing Rules as a result of exercise of any Put Options by any of the Placees and/or occurrence of other events that lead to insufficient public float of the Shares, the Stock Exchange will consider to take appropriate actions, including but not limited to, suspension of trading in the Shares until a sufficient public float of the Shares as required under Rule 11.23 of the GEM Listing Rules is restored.**

**Shareholders and investors should exercise caution when dealing in the Shares.**

By order of the board of	By order of the board of
<b>Shougang Concord Grand (Group) Limited</b>	<b>Global Digital Creations Holdings Limited</b>
<b>Cao Zhong</b>	<b>Chen Zheng</b>
<i>Vice Chairman</i>	<i>Executive Director</i>

7 September 2005

As at the date of this announcement, the respective boards of SCG and GDC comprise the following directors:

#### **SCG**

Mr. Wang Qinghai (Chairman); Mr. Cao Zhong (Vice Chairman); Mr. Chen Zheng, Mr. Wang Tian, Ms. Cheng Xiaoyu, Mr. Yuan Wenxin (Executive Directors); Mr. Leung Shun Sang, Tony, Ms. Choy Hok Man, Constance (Non-executive Directors); Mr. Tam King Ching, Kenny, Mr. Hui Hung, Stephen and Ms. Zhou Jianhong (Independent non-executive Directors).

#### **GDC**

Mr. Anthony Francis Neoh (Joint chairman and non-executive Director); Mr. Cao Zhong (Joint chairman and executive Director); Dr. David Deng Wei (Vice-chairman and non-executive Director); Mr. Chen Zheng (General manager and executive Director); Mr. Gordon Kwong Che Keung, Professor Japhet Sebastian Law and Mr. Bu Fan Xiao (Independent non-executive Directors).

*This announcement, for which the SCG Directors and GDC Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules and GEM Listing Rules for the purpose of giving information with regard to SCG and GDC respectively. The SCG Directors and GDC 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 aspects 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 website of the GEM of the Stock Exchange at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and at GDC’s website [www.gdc-world.com](http://www.gdc-world.com).*

*\* For identification purpose only*

Please also refer to the published version of this announcement South China Morning Post - Classified.