



## 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)

### ANNOUNCEMENT

#### COOPERATION AGREEMENT WITH CHINA FILM GROUP CORPORATION

The Board (“the Board”) of Global Digital Creations Holdings Limited (“the Company”) is pleased to announce that on 31st October, 2006, Institute of Digital Media Technology (Shenzhen) Limited (“Shenzhen IDMT”), a wholly-owned subsidiary of the Company, entered into a cooperation agreement (the “Cooperation Agreement”) with China Film Group Corporation (“CFGC”), an independent third party, under which, inter alia, Shenzhen IDMT and CFGC have agreed to jointly promote digital cinema business in the People’s Republic of China (the “PRC”).

The Board of the Company is pleased to announce that on 31st October, 2006, Shenzhen IDMT, a wholly-owned subsidiary of the Company, entered into the Cooperation Agreement with CFGC (which together with its ultimate beneficial owner is an independent third party of the Company as defined in the GEM Listing Rules) for a term of ten years whereby Shenzhen IDMT and CFGC have agreed to jointly promote digital cinema business in the PRC.

Pursuant to the Cooperation Agreement, Shenzhen IDMT and CFGC target to jointly promote digital cinema business in the PRC by two stages. CFGC will be responsible to promote the installation of digital cinema equipment in the PRC whereas Shenzhen IDMT will supply the digital cinema equipment. In stage I, it is aimed at installing at least 700 units of digital cinema equipment at the top 100 cinemas in the PRC by 2007. In stage II, it is aimed at installing at least 2,000 units of digital cinema equipment at major cinemas in the PRC by 2008. Shenzhen IDMT and CFGC will share a portion of box office receipts of those cinemas using Shenzhen IDMT’s digital cinema equipment for distribution of digital motion pictures. It is also proposed that a joint venture company be formed to engage in the digital cinema business. As at the date of this announcement, no other detailed terms on the formation of the joint venture company have been finalized, including the registered capital.

Shenzhen IDMT intends to purchase the digital cinema equipment for the abovementioned installation from GDC Technology Limited (“GDC Tech”), a subsidiary of the Company and with principal activities of provision of computing solutions for digital content distribution and exhibitions, subject to the parties agreeing upon the terms of such purchases. A letter of intent in this aspect has been entered into between the parties on 31st October, 2006. Shenzhen IDMT also intends to engage GDC Tech to provide network management services, at the terms to be agreed upon between the parties, to those digital cinema equipment as may be provided by GDC Tech.

## REASONS FOR COOPERATION

CFGC is the largest and most influential state-run film enterprise that is the sole importer of foreign film in PRC whereas Shenzhen IDMT and GDC Tech is to provide computer graphics and animation training, development of multimedia software and hardware, provision of related technical consultancy services and computing solutions for digital content distribution and exhibitions in the PRC. In order to promote the digital cinema business in the PRC, the directors of the Company are of the view that the cooperation with CFGC provides a blueprint for the parties to create synergy in digital cinema business in the PRC and the proposed formation of a joint venture company represents a good opportunity and a milestone for the parties as a start to expand the business in the PRC.

Save as disclosed, the Board of the Company is not aware of any negotiations or agreements relating to intended acquisition, a realizations which are discloseable under Chapter 19 to 20 of the GEM Listing Rules, nor is the Board of the Company aware of any matter discloseable under the General obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price sensitive nature.

By Order of the Board  
**Chen Zheng**  
*Executive Director*

Hong Kong, 31st October, 2006

*As at the date of this announcement, the Executive Directors of the Company are Mr. Cao Zhong, Mr. Chen Zheng, Mr. Jin Guo Ping and Dr. Xu Qing, Catherine, the Non-executive Directors are Mr. Leung Shun Sang, Tony and Dr. Deng Wei, David, the Independent non-executive Directors are Mr. Kwong Che Keung, Gordon, Mr. Bu Fan Xiao and Mr. Hui Hung, Stephen, the Alternate Director is Zhang Dong Sheng (Alternate to Dr. Deng Wei, David).*

*This announcement, for which the Directors of Global Digital Creations Holdings Limited (“the Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited 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, the information contained in this announcement is accurate and complete in all material respects and is not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and 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 GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the day of its posting and at the Company’s website [www.gdc-world.com](http://www.gdc-world.com).*

\* For identification purpose only