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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 UNUSUAL SHARE PRICE MOVEMENT FORMATION OF A JOINT VENTURE ENTERING INTO A CO-PRODUCTION AGREEMENT RESIGNATION OF AN EXECUTIVE DIRECTOR

The Board had noted the decrease in the price and increase in the trading volume of the Shares on 25 June 2004 and wishes to state that it is not aware of any reasons for the decrease in the price and increase in the trading volume of the Shares except for the subjects announced at a press conference held on 25 June 2004 at the Hong Kong Filmart 2004.

On 25 June 2004, GDC, an indirectly wholly-owned subsidiary of the Company had entered into the Agreement with Gameone for the formation of a joint venture company, GDC.Gameone Limited, for the purpose of the development and production of on-line video games for the PRC market.

On 6 June 2004, GDC Entertainment, an indirectly wholly-owned subsidiary of the Company had entered into a co-production agreement with EnterAktion Studios, a Los Angeles based content creator and production company to co-produce three original CGI (computer graphics imaging) feature films created and developed by EnterAktion Studios on a budget of US\$20 million each.

The Board also wishes to announce the resignation of Mr. Yin as an executive Director and president of the Company with effect from 24 June 2004 to pursue his own business ventures.

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 28 June 2004 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the trading in the Shares to resume from 9:30 a.m. on 29 June 2004 following the publication of this announcement.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

* For identification purpose only

UNUSUAL SHARE PRICE MOVEMENT

The board (the “Board”) of directors (the “Directors”) of Global Digital Creations Holdings Limited (the “Company”) had noted the decrease in the price and increase in the trading volume of the shares of the Company (the “Shares”) on 25 June 2004 and wishes to state that it is not aware of any reasons for the decrease in the price and increase in the trading volume of the Shares except for the following subjects announced at a press conference held on 25 June 2004 at the Hong Kong Filmart 2004.

FORMATION OF A JOINT VENTURE

On 25 June 2004, GDC Holdings Limited (“GDC”), an indirectly wholly-owned subsidiary of the Company has entered into an agreement (the “Agreement”) with Gameone Online Entertainment Group Limited (“Gameone”) for the formation of a joint venture company, GDC.Gameone Limited, for the purpose of the development and production of on-line video games for the People’s Republic of China (“PRC”) market. Gameone is a company incorporated in Hong Kong and engages in the business of interactive on-line internet video game creation and production. Gameone and its ultimate beneficial owner are independent third parties not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, and/or their respective associates. The joint venture, GDC.Gameone Limited, shall be held as to 60% by GDC and as to 40% by Gameone, and contributions will be made by GDC Holdings and Gameone in the amounts of HK\$600,000 and HK\$400,000 respectively, which will be funded over a period of 11 months from the date of execution of the Agreement, 25 June 2004. The Directors intend to fund the abovementioned HK\$600,000 contribution by internal resources of the Company and its subsidiaries (the “Group”). Other than the abovementioned, there were no other capital commitments by either party in accordance with the terms and conditions of the Agreement. This joint venture is intended to marry GDC’s expertise in creation of computer graphics with Gameone’s expertise in online internet video games creation and production.

ENTERING INTO A CO-PRODUCTION AGREEMENT

On 6 June 2004, GDC Entertainment Ltd (“GDC Entertainment”), an indirectly wholly-owned subsidiary of the Company had entered into a co-production agreement (the “Co-production Agreement”) with EnterAktion Studios, Inc. (“EnterAktion Studios”), a Los Angeles based content creator and production company to co-produce three original CGI (computer graphics imaging) feature films created and developed by EnterAktion Studios on a budget of US\$20 million each (the “Properties”). GDC Entertainment will co-own the Properties with EnterAktion Studios and will receive payment for the animation services to be rendered to the project, as an animation service provider in accordance with a production schedule to be determined between GDC Entertainment and EnterAktion Studios. The Co-production Production has been entered under normal commercial terms and pursuant to which, EnterAktion Studios will be responsible for financing a cash budget of approximately US\$8 million and GDC will receive US\$5 million in revenue for the production of each of the Properties. EnterAktion Studios is a Los Angeles based motion picture and TV production company owned principally by Tom Walsh (co-chairman and chief executive officer of EnterAktion Studios) and the Hilton Family of Hilton Hotels and is known for its content creation. EnterAktion Studios and

the Hilton Family are independent third parties not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, and/or their respective associates.

The Board also confirms that, other than the abovementioned matters, there are no other negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapter 19 and 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), and neither is the Board 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.

RESIGNATION OF AN EXECUTIVE DIRECTOR

The Board also wishes to announce the resignation of Mr. Richard Yin Yingneng (“Mr. Yin”) as an executive Director and president of the Company with effect from 24 June 2004 to pursue his own business ventures. The Board wishes to thank Mr. Yin for his contribution and wish him the best in his future endeavours. The Board and Mr. Yin confirmed that there were no disagreement with each other and, there were no other matters relating to the resignation of Mr. Yin which should be brought to the attention of the shareholders of the Company. Mr. Yin’s duties will be assumed by the chief executive officer of the Company, Mr. Raymond Dennis Neoh (“Mr. Neoh”). Mr. Yin who is a shareholder of the Company, has undertaken to provide such assistance as needed, to Mr. Neoh and the Board. In addition, the Board is satisfied that the day-to-day management of the Company and its subsidiaries’ affairs will not be adversely affected.

GENERAL

The Group is engaged in the integration of the entire value chain in the digital content business, encompassing creation, production (for its own projects and projects contracted to it by third parties) and distribution of digital contents, in order to meet two developing global trends of (i) strong continuing growth in demand for digital contents, particularly computer graphics imaging; and (ii) a paradigm shift from a chemical film based medium to an electronic, digital medium in the cinema industry.

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Made by the order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

As at the date of this announcement, the Board comprised Mr. Anthony Francis Neoh (Chairman and non-executive Director); Mr. 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, and Professor Japhet Sebastian Law (independent non-executive Directors).

For and on behalf of the Board
Global Digital Creations Holdings Limited
Raymond Dennis Neoh
Executive Director

Hong Kong, 28 June 2004

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, 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 for at least 7 days from the day of its posting and at the Company's website www.gdc-world.com.