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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)*

**DISCLOSABLE TRANSACTION OF
SHOUGANG CONCORD GRAND (GROUP) LIMITED
PLACING OF SHARES IN
GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED
WITH A PUT OPTION**

Financial Adviser and Placing Agent



Baron Capital Limited

Placing Agreement dated 22 August 2005

Upper Nice (as the Vendor) and Baron Capital entered into the Placing Agreement on 22 August 2005, whereby the Vendor has agreed to appoint Baron Capital as the placing agent and Baron Capital has agreed to place on a best effort basis not more than 58,000,000 Shares of HK\$0.01 each beneficially owned by Upper Nice in the issued share capital of GDC at a price of HK\$0.220 per Placing Share to not less than six placees who are independent individual(s), institutional, other professional and/or private investors, and who/whose ultimate beneficial owners will not be connected person(s) with the Vendor, SCG and GDC, and are independent third parties of and not 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). The Placing Price represents (i) at par to the closing price of HK\$0.220 per Share as quoted on the Stock Exchange on 22 August 2005, being the last trading day prior to the suspension of trading of the Shares and the date of the Placing Agreement; (ii) at par to the average closing price of the Shares of HK\$0.220 quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 August 2005; (iii) a premium of approximately 1.15% to the average closing price of the Shares of HK\$0.2175 quoted on the Stock Exchange for the last ten consecutive trading days up to and including 22 August 2005; and (iv) a premium of approximately 205.56% to the unaudited consolidated net tangible asset value per Share of HK\$0.072 as at 30 June 2005. The 58,000,000 Placing Shares represent not more than approximately 7.24% of the issued share capital of GDC.

Immediately upon completion of the Placing and assuming all the 58,000,000 Placing Shares are successfully placed, the shareholding of the Vendor in GDC will be diluted from approximately 82.22% to approximately 74.98% of the issued share capital of GDC. Upper Nice will continue to be the single largest and controlling Shareholder of GDC upon completion of the Placing. It is expected that none of the Placees will hold more than 5% of the issued share capital of GDC and become the substantial Shareholder of GDC upon completion of the Placing.

As disclosed in the announcement of GDC dated 29 July 2005, the public float of the Shares was at approximately 17.78% of the total issued share capital of GDC and an application had been made by GDC to the Stock Exchange for a further waiver from strict compliance with Rule 11.23 of the GEM Listing Rules to place out Shares to public hands within 3 months from 1 August 2005 to 31 October 2005. Completion of the Placing Agreement is expected to take place on or before 31 October 2005. Assuming all the 58,000,000 Placing Shares are successfully placed to Placees and there is no other change in the shareholding structure of GDC after the date of the Placing Agreement other than completion of the Placing, the minimum 25% public float of the Shares will be restored pursuant to Rule 11.23 of the GEM Listing Rules.

Option Agreement

Subject to completion of the Placing, Upper Nice (as the grantor) and SCG (as the guarantor) will enter into an Option Agreement with each of the Placees (as the grantee). Pursuant to the Option Agreements, Upper Nice will grant Put Options to all the Placees whereby Upper Nice is obliged to purchase, upon exercise of the Put Option 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. 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 (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) 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.

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 insufficiency of the public float of the Shares as required under Rule 11.23 of the GEM Listing Rules, SCG (including 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 relevant event that leads 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.

The Stock Exchange states that, in the event that the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) the public float of the Shares drops below 25% as required in Rule 11.23 of the GEM Listing Rules, the Stock Exchange will consider to take appropriate actions, including but not limited to, exercise its discretion to suspend trading in the Shares on the Stock Exchange until a level of sufficient public float is attained as required under Rule 11.23 of the GEM Listing Rules.

As the Placing may or may not be consummated and 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 Option 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.

The Placing constitutes a discloseable transaction for SCG under Chapter 14 of the Listing Rules. A circular containing, amongst others, details relating to the Placing and the Put Options will be sent to the shareholders of SCG as soon as practicable.

At the request of SCG and GDC, trading in the shares of SCG and GDC on the Stock Exchange were suspended with effect from 9:30 a.m. on 23 August 2005 pending for the release of this announcement. Applications have been made for resumption of trading of the shares of SCG and GDC on the Stock Exchange with effect from 9:30 a.m. on 26 August 2005.

PLACING AGREEMENT DATED 22 AUGUST 2005

Vendor

Upper Nice

Placing agent

Baron Capital, the placing agent of the Placing, who and whose ultimate beneficial owner(s) are not connected persons of the Vendor, SCG and GDC, and are independent third parties of and not 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).

Placees

Baron Capital will place not more than 58,000,000 Placing Shares of HK\$0.01 each beneficially owned by Upper Nice in the issued share capital of GDC at the Placing Price of HK\$0.220 per Placing Share, on a best effort basis, to not less than six placees who are independent individual(s), institutional, other professional and/or private investors, and who/whose ultimate beneficial owners will not be connected person(s) with the Vendor, SCG and GDC, and are independent third parties of and not 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). Baron Capital will receive commission which is equivalent to 3% of the aggregate amount payable by the Placees pursuant to the Placing Agreement. Given that the low liquidity of the Shares, the directors of SCG are in the view that the commission to be paid to Baron Capital is fair and reasonable.

Number of Placing Shares to be placed on a best effort basis

Not more than 58,000,000 Placing Shares

The Placing Shares represent not more than 7.24% of the issued share capital of GDC. The Placing Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the date of completion of the Placing. The holders of the Placing Shares have the rights to (i) attend and vote at general meetings of GDC and (ii) receive dividends declared or any profits distributions declared by GDC by virtue of them being the Shareholders.

The market value of the Placing Shares on 22 August 2005, being the date of the Placing Agreement, was equivalent to approximately HK\$12,760,000 on the closing price of the Shares of HK\$0.220 per Placing Share prior to the suspension of trading of the Shares and the date of the Placing Agreement.

Placing Price

HK\$0.220 per Placing Share

The Placing Price represents (i) at par to the closing price of HK\$0.220 per Share as quoted on the Stock Exchange on 22 August 2005, being the last trading day prior to the suspension of trading of the Shares and the date of the Placing Agreement; (ii) at par to the average closing price of the Shares of HK\$0.220 quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 August 2005; (iii) a premium of approximately 1.15% to the average closing price of the Shares of HK\$0.2175 quoted on the Stock Exchange for the last ten consecutive trading days up to and including 22 August 2005; and (iv) a premium of approximately 205.56% to the unaudited consolidated net tangible asset value per Share of HK\$0.072 as at 30 June 2005. The Placing Price has been determined based on arm's length negotiations between the Vendor and Baron Capital with reference to the current market conditions. The directors of SCG (including the independent non-executive directors of SCG) are of the view that the Placing is in the interests of SCG and the Placing Price is fair and reasonable so far as the shareholders of SCG are concerned.

Completion

Completion of the Placing is expected to take place no later than 31 October 2005 or on a day to be mutually agreed in writing by the respective parties. SCG and GDC will publish an announcement upon the completion of the Placing.

Lock-up

There is no lock-up period imposed on the Placees in respect of the Placing Shares pursuant to the Placing Agreement.

OPTION AGREEMENT

1. Grant of the Put Option

Subject to completion of the Placing, Upper Nice (as the grantor) and SCG (as the guarantor) will enter into an Option Agreement with each of the Placees. Pursuant to the Option Agreements, Upper Nice will grant Put Options to all the Placees whereby Upper Nice is

obliged to purchase, upon exercise of the Put Options, the number of Option Shares in respect of which the Put Options are exercised at an initial Exercise Price of HK\$0.220 per Option 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.

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 (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) 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.

The Put Option will lapse if it is not exercised within the Exercisable Period (including whether the Put Option (upon the occurrence of an Accelerating Event) is not exercised within the relevant Exercisable Period) in accordance with the terms of the Option Agreement.

2. Parties to the Option Agreement

- (1) Grantor: Upper Nice
- (2) Put Option Holder: Placee(s)
- (3) Guarantor: SCG

SCG will (i) undertake each of the Put Option holder (i.e. the Placee) that it will procure the due and punctual performance by Upper Nice of all of its obligations, commitment and undertakings pursuant to the Option Agreement and (ii) guarantee each of the Put Option holder the due and punctual performance by Upper Nice of Upper Nice's obligations and the due and punctual payment by Upper Nice of any moneys payable by Upper Nice pursuant to the Option Agreement or for any breach of the Option Agreement.

3. Principal terms of the Option Agreement

Exercise Price

HK\$0.220 per Option Share, the same price as the Placing Price (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).

Exercisable Period

The Placee(s) can exercise the Put Option(s) to be granted by Upper Nice under the Option Agreement on any Business Day within the Exercisable Period.

Under the Option Agreements, the Placees have the right to sell up to all or part of the Option Shares beneficially owned by such Placees at the Exercise Price during the Exercisable Period. The maximum number of the Option Shares in respect of which Upper Nice obliges to purchase on exercise of the Option shall be calculated by dividing the subscription amount (calculated by multiplying the number of the Placing Shares by the Placing Price) by the Exercise Price. The Placee must hold the Shares in the event that he/she exercises the Put Option and the number of Put Option to be exercised shall be in accordance with the number of Shares which the Placee hold 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 or part of the Option Shares beneficially owned by such Placee at the Exercise Price (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), Upper Nice is obliged to purchase the number of Option Shares in respect of which the Put Option is exercised at such Exercise Price.

The Put Options may be exercised by the Placee(s) in whole or in part once on any Business Day within the Exercisable Period or when any of the Accelerating Events occur during the Exercisable Period, after which the Put Options granted to the Put Option holders shall lapse.

Number of Shares subject to a Put Option

The number of Shares which a Placee may require Upper Nice to purchase on exercise of the Placee's Put Option shall be specified in the exercise notice (which should be lodged by the relevant Put Option holder to Upper Nice within the Exercisable Period) save that such number shall not exceed the figure arrived at by dividing (i) the subscription amount (calculated by multiplying the number of the Placing Shares by the Placing Price) paid by that Placee under the Placing Agreement by (ii) the applicable Exercise Price (fraction of a Share is to

be rounded down). In the event that the Placees intend to exercise the Put Option, the Placees will serve an exercise notice to Upper Nice and Upper Nice will notify GDC and SCG accordingly for them to monitor the public float of the Shares.

Lapsing of a Put Option

The Put Option will lapse if it is not exercised within the Exercisable Period (including whether the Put Option (upon the occurrence of an Accelerating Event) is not exercised within the relevant Exercisable Period) in accordance with the terms of the Option Agreement.

Transferability

The Put Option is not transferable save for the assignment in whole by a Put Option holder to its holding company, a wholly-owned subsidiary or a fellow wholly-owned subsidiary of the Put Option holder and with the prior consent of Upper Nice and SCG (such consent not to be unreasonably withheld or delayed by Upper Nice and SCG).

REASONS FOR ENTERING INTO THE PLACING AGREEMENT AND THE OPTION AGREEMENT

Reference is made to the GDC's announcement dated 30 May 2005, following completion of the voluntary conditional cash offer of GDC in March 2005, the number of Shares held in the public fell below 25% of the issued share capital of GDC. As such, Upper Nice entered into the Placing Agreement with Baron Capital to place down Upper Nice's shareholding in GDC in order to comply with the minimum 25% public float requirement under Rule 11.23 of the GEM Listing Rules. Given the relatively low liquidity in the trading of the Shares, the Put Option is therefore granted to the Placees to enhance the interest of the Placees in acquiring the Placing Shares. Since the public float of GDC has fallen below 25% as a result of the completion of voluntary conditional cash offer of GDC in March 2005, the directors of SCG have been actively seeking and negotiating with potential placing agents and investors with a view to place such number of the Shares in order to restore the public float of the Shares. The directors of SCG and GDC are of the opinion that the Placing provides a good opportunity for GDC to restore the minimum public float requirement under Rule 11.23 of the GEM Listing Rules and the Put Option can help to facilitate the Placing as the Put Options can act as an incentive for the potential Placees to acquire the Placing Shares.

DILUTION OF SHAREHOLDING OF UPPER NICE

Immediately upon completion of the Placing and assuming all the 58,000,000 Placing Shares are successfully placed, the shareholding of Upper Nice in GDC will be diluted from approximately 82.22% to approximately 74.98% of the issued share capital of GDC. Upper Nice will continue to be the single largest and controlling Shareholder of GDC upon completion of the Placing. It is expected that none of the Placees will hold more than 5% of the issued share capital of GDC and become the substantial Shareholder of GDC upon completion of the Placing. It is also expected that none of the Placing Shares will be placed to the Placees who are (i) connected person of the Vendor, SCG and GDC, (ii) financed directly or indirectly by a connected person of the Vendor, SCG and GDC and (iii) 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.

The shareholding structure of GDC prior to and after the Placing (assuming all the Placing Shares have been placed and there is no other change in the shareholding structure of GDC after the date of the Placing Agreement other than completion of the Placing Agreement) is as follows:

Name	Number of issued Shares before Placing	Percentage of shareholding before Placing	Number of issued Shares immediately after Placing	Percentage of shareholding after Placing	Immediately after all the Put Options are exercised in full	Percentage of shareholding after all the Put Options are exercised in full
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%
Total	800,820,000	100%	800,820,000	100%	800,820,000	100%

Restoration of public float for the Shares

As disclosed in the announcement of GDC dated 29 July 2005, the public float of the Shares in GDC was approximately 17.78% of the total issued share capital of GDC and an application had been made by GDC to the Stock Exchange for a further waiver from strict compliance with Rule 11.23 of the GEM Listing Rules to place out Shares to public hands within 3 months from 1 August 2005 to 31 October 2005. Completion of the Placing Agreement is expected to take place on or before 31 October 2005. SCG and GDC will publish a joint announcement upon the completion of the Placing. Assuming all the 58,000,000 Placing Shares are successfully placed to Placees and there is no other change in the shareholding structure of GDC after the date of the Placing Agreement other than completion of the Placing, the minimum 25% public float of the Shares will be restored pursuant to Rule 11.23 of the GEM Listing Rules. However, assuming 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 approximately 17.78% of the total issued share capital of GDC respectively.

The Stock Exchange states that, in the event that the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) the public float of the Shares drops below 25% as required in Rule 11.23 of the GEM Listing Rules, the Stock Exchange will consider to take appropriate actions, including but not limited to, exercise its discretion to suspend trading in the Shares on the Stock Exchange until a level of sufficient public float is attained as required under 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 (including 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 relevant event that leads 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.

According to the Rule 14.74(2) of the Listing Rules and Rule 19.74(2) of the GEM Listing Rules, SCG and GDC will publish an announcement to the Shareholders in respect of the exercise or transfer of the Put Options as soon as practicable.

GENERAL

This announcement is jointly made by SCG and GDC in accordance with Rule 13.09 of the Listing Rules and Rule 17.10 of the GEM Listing Rules respectively.

The principal businesses of SCG and its subsidiaries are property investment and management, financial services and cultural recreation content. The principal businesses of GDC and its subsidiaries are computer graphic creation and production, digital content distribution and exhibitions and the provision of computer graphic training courses. The audited loss before taxation of GDC for the two years ended 31 December 2003 and 2004 were approximately HK\$33,300,000 and HK\$130,311,000 respectively. The audited net loss of GDC for the two years ended 31 December 2003 and 2004 were approximately HK\$33,149,000 and HK\$130,336,000 respectively. The unaudited consolidated loss before taxation of GDC for the six months ended 30 June 2005 was approximately HK\$20,715,000, as compared with approximately HK\$19,294,000 for the corresponding period in 2004. The unaudited consolidated net loss of GDC for the six months ended 30 June 2005 was approximately HK\$21,075,000, as compared with approximately HK\$19,294,000 for the corresponding period in 2004. The unaudited consolidated total assets less liabilities of GDC as at 30 June 2005 amounted to approximately HK\$55,127,000.

PROCEEDS FROM THE PLACING OF PLACING SHARES AND FINANCIAL EFFECTS FOR THE PLACING OF PLACING SHARES

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

The Placees are granted the Put Option, of which exercise will in effect reverse the Placing of the Placing Shares underlying the Put Option, and the Put Option will be exercisable up to and including the second anniversary of the date of the Option Agreement. For this reason, the directors of SCG consider the realization of gain or loss on disposal of Placing Shares is remote and

including the gain or loss on disposal of Placing Shares in the income statement of SCG before the expiry of the Put Option is improper.

Nevertheless, assuming all of the Put Options are not exercised and become lapsed, loss on disposal of the Placing Shares will amount to approximately HK\$3,132,000. For calculation of such estimated loss on disposal, Upper Nice's cost of investment in the Placing Shares of HK\$0.274 per Share are calculated as the aggregate amount of 3 shares of SCG of HK\$0.912 per Share (weighted average of closing price of SCG's share as quoted on the Stock Exchange on respective trading day when voluntary conditional share exchange offer made by SCG for the purposes of acquiring Shares and its extension were completed) divided by 10 Shares. The ratio between shares of SCG and Shares used in the calculation of Upper Nice's cost of investment is the same as the one applied in the voluntary conditional share exchange offer made by SCG for the purposes of acquiring the Shares.

The Placing constitutes a discloseable transaction for SCG under Chapter 14 of the Listing Rules. A circular containing, amongst others, details relating to the Placing and the Put Options will be sent to the shareholders of SCG as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of SCG and GDC, trading in the shares of SCG and GDC on the Stock Exchange were suspended with effect from 9:30 a.m. on 23 August 2005 pending for the release of this announcement. Applications have been made for resumption of trading of the shares of SCG and GDC on the Stock Exchange with effect from 9:30 a.m. on 26 August 2005.

As the Placing may or may not be consummated and 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 Option by any of the Placees and/or occurrence of other events that lead to insufficiency of the 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.

Definitions

“Accelerating Events”	means the following events or circumstances occur: (a) if a general offer by way of takeover is made to all the Shareholders (other than by way of scheme of arrangement mentioned in (b) below) and such offer becomes or is declared unconditional; (b) if a general offer by way of scheme of arrangement is made to all the Shareholders and has been approved at the requisite meeting of Shareholders; (c) if a compromise or arrangement between GDC and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of GDC or its amalgamation with other companies (other than a general offer and a scheme of arrangement mentioned in (a) and (b) above respectively); (d) if a notice is given by GDC to the Shareholders to convene a meeting for approving the voluntary winding up of GDC, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement; or (e) if a petition for the winding-up of GDC is presented to the applicable court
“associates”	has the meaning ascribed to it in the Listing Rules and GEM Listing Rules
“Baron Capital”	Baron Capital Limited, a licensed corporation within the meaning of SFO
“Board”	the board of directors
“Business Day”	means a day (excluding a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours and on which it does not have a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force at any time between 12:00 noon and 4:00 p.m.
“connected person(s)”	has the meaning ascribed to it in the Listing Rules and GEM Listing Rules
“Exercisable Period”	the period commencing from the date of the Option Agreement up to and including the second anniversary of the date of the Option Agreement, during which the Option can be exercised in accordance with the provision of the Option Agreement

“Exercise Price”	HK\$0.220 per Share (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)
“GDC”	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the GEM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option Agreement(s)”	the option agreement(s) to be entered into between Upper Nice, SCG and the respective Placees for the grant of the Put Option(s) by Upper Nice to the Placee(s)
“Option Shares”	the maximum number of Shares which a Placee is entitled to require Upper Nice to purchase from such Placee in accordance with the terms of the Option Agreement
“Placee(s)”	any individual(s), institutional, other professional and/or private investors, and who/whose ultimate beneficial owners will not be connected person(s) with the Vendor, SCG and GDC, and are independent third parties of and not 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)
“Placing”	the placing of not more than 58,000,000 Shares of HK\$0.01 each at the Placing Price at HK\$0.220 to not less than six independent Placees by Baron Capital on a best effort basis
“Placing Agreement”	the placing agreement entered into between Upper Nice and Baron Capital on 22 August 2005
“Placing Shares”	not more than 58,000,000 Shares of HK\$0.01 each
“Placing Price”	HK\$0.220 per Placing Share
“Put Option(s)”	the put option(s) to be granted by Upper Nice to the Placee(s) under the Option Agreement(s)
“SCG”	Shougang Concord Grand (Group) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	share(s) of GDC of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules and GEM Listing Rules
“Vendor” or “Upper Nice”	Upper Nice Assets Ltd., a company incorporated in the British Virgin Islands, the substantial Shareholder of GDC, the Vendor to the Placing Agreement and a wholly-owned subsidiary of SCG
“HK\$”	Hong Kong dollars
“%”	per cent.

By order of the Board
Shougang Concord Grand
(Group) Limited
Cao Zhong
Vice Chairman

By order of the Board
Global Digital Creations
Holdings Limited
Chen Zheng
Executive Director

Hong Kong, 25 August 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, Mr. Yuan Wenxin, Ms. Cheng Xiaoyu (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 and Mr. Cao Zhong (Joint chairmen and non-executive Directors); Mr. Raymond Dennis Neoh (Vice-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 directors of SCG (the “SCG Directors”) and GDC (the “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 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.

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