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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Global Digital Creations Holdings Limited, you should at once hand this circular to the purchaser, the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)***DISCLOSEABLE AND CONNECTED TRANSACTION****Transfer of shares in GDC Technology Limited**

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\* *For identification purpose only*

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings, unless the context otherwise requires:*

“associate”	has the meanings ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	any day (excluding Saturday) that banks in Hong Kong generally open for business
“Company”	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability whose securities are listed on the GEM
“Completion”	completion of the Transfer
“connected person”	has the meanings ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Chong”	Dr. Chong Man Nang, a director of GDC Technology and a connected person of the Company and Shougang Grand
“GDC Technology”	GDC Technology Limited, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 July 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Mr. Cao”	Mr. Cao Zhong, the Chairman and Executive Director of the Company

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## DEFINITIONS

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“Mr. Chen”	Mr. Chen Zheng, the Chief Executive Officer and Executive Director of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sale Shares”	the 4,266,667 shares, 4,266,667 shares and 7,466,666 shares of HK\$0.10 each in the issued share capital of GDC Technology to be transferred to Mr. Cao, Mr. Chen and Dr. Chong, respectively pursuant to the Transfer, representing 15% of the issued share capital of GDC Technology in aggregate
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Shougang Grand”	Shougang Concord Grand (Group) Limited, a company incorporated in Bermuda with limited liability whose securities are listed on the main board of the Stock Exchange and is the holding company of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Transfer”	the transfer of the Sale Shares to Mr. Cao, Mr. Chen and Dr. Chong
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors*

Mr. Cao Zhong (*Chairman*)

Mr. Chen Zheng (*Chief Executive Officer*)

Mr. Jin Guo Ping (*Vice President*)

Dr. Catherine Xu Qing (*Vice President*)

*Registered office:*

Clarendon House

Church House

Hamilton HM11

Bermuda

*Non-Executive Directors*

Mr. Leung Shun Sang, Tony

Dr. David Deng Wei (*Vice-Chairman*)

*Principal place of business*

*in Hong Kong:*

6th Floor

Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai, Hong Kong

*Independent Non-Executive Directors*

Mr. Bu Fan Xiao

Mr. Hui Hung, Stephen

Mr. Kwong Che Keung, Gordon

28 July 2006

To the Shareholders:

Dear Sir or Madam,

### DISCLOSEABLE AND CONNECTED TRANSACTION

#### Transfer of shares in GDC Technology Limited

#### INTRODUCTION

On 6 July 2006, the Board announced that the Company has agreed to transfer 4,266,667 shares, 4,266,667 shares and 7,466,666 shares in the issued share capital of GDC Technology, an indirect wholly-owned subsidiary of the Company, to Mr. Cao, Mr. Chen and Dr. Chong, respectively, for an aggregate cash consideration of HK\$1,600,000, payable at Completion.

Mr. Cao and Mr. Chen are both directors of the Company, and Dr. Chong is a director of GDC Technology, the Transfer constitutes a discloseable and connected transaction for the Company and is exempted from independent shareholders' approval requirements under Rule 20.32 of the GEM Listing Rules.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide the Shareholders with further information in relation to the Transfer.

### THE TRANSFER

#### Date

5 July 2006

#### Parties

- (1) the Company;
- (2) Mr. Cao;
- (3) Mr. Chen; and
- (4) Dr. Chong.

#### Transfer

Pursuant to the Transfer, the Company has agreed to transfer 4,266,667 shares, 4,266,667 shares and 7,466,666 shares in the issued share capital of GDC Technology, to Mr. Cao, Mr. Chen and Dr. Chong, respectively, for cash consideration of HK\$426,666.70, HK\$426,666.70 and HK\$746,666.60, payable at Completion. The Sale Shares represent 15% of the issued share capital of GDC Technology.

GDC Technology was incorporated in the British Virgin Islands and is not required to prepare audited financial statements. Based on the unaudited consolidated financial statements of GDC Technology as at 31 May 2006, the net liability attributable to the Sale Shares was approximately HK\$5,450,000, and the losses before and after taxation attributable to the Sale Shares for the year ended 31 December 2005 were approximately HK\$1,640,000 and HK\$1,586,000, respectively, and the profits before taxation and loss after taxation attributable to the Sale Shares for the year ended 31 December 2004 were approximately HK\$34,000 and HK\$31,000, respectively.

The consideration, which is equivalent to the par value of the Sale Shares (HK\$0.10 per share), was determined after arm's length negotiation between the parties on normal commercial terms. As per the unaudited consolidated financial statements as at 31 May 2006, GDC Technology was at net liability, the Directors (including the independent non-executive Directors) are of the view that the consideration was fair and reasonable so far as the Company and its shareholders are concerned.

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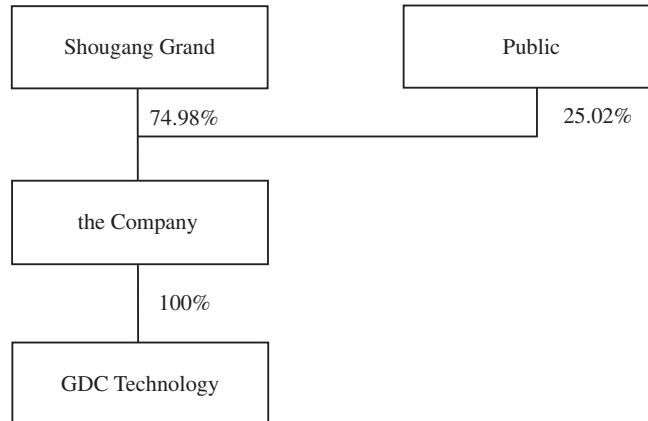
## LETTER FROM THE BOARD

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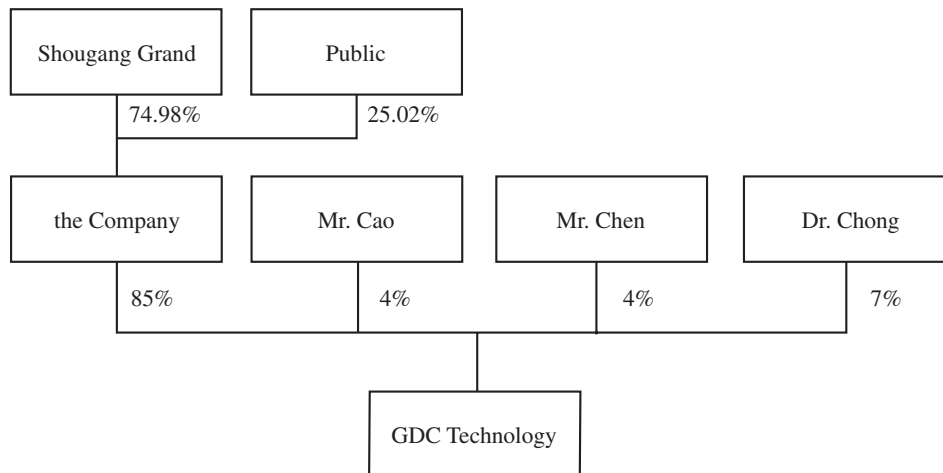
### Shareholding Structure

The shareholding structures of GDC Technology before and after Completion are as follows:–

#### *Before Completion*



#### *After Completion*



At Completion, GDC Technology will remain a subsidiary of each of the Company and Shougang Grand.

### Condition

Completion of the Transfer is conditional upon each of Mr. Cao, Mr. Chen and Dr. Chong has executed an undertaking in writing to GDC Technology that he will not sell, transfer, or otherwise dispose of any of his respective shares in GDC Technology acquired as a result of the Transfer for a period of 12 months from Completion. GDC Technology may refuse to register any transfers made by Mr. Cao, Mr. Chen or Dr. Chong, if in the opinion of GDC Technology, the transfer is made in breach of the above condition.



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## LETTER FROM THE BOARD

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If the condition above is not satisfied on or before 31 July 2006 or such later date as may be agreed between the parties, the Transfer will not be effected and none of the parties will have any liability under or pursuant to the provisions of the Transfer except in respect of any antecedent breach.

### **Completion**

Completion will take place on the third Business Day after the above condition has been satisfied.

### **REASONS FOR TRANSFER**

As at the Latest Practicable Date, GDC Technology is an indirect wholly-owned subsidiary of the Company and is principally engaged in the provision of computing solutions for digital content distribution and exhibitions.

GDC Technology has been operating at a loss and based on its unaudited consolidated financial statements as at 31 May 2006, it was in a position of net liability. The Board considers that the Transfer would lead to Mr. Cao, Mr. Chen and Dr. Chong having personal interests in GDC Technology, which would enhance the commitment and participation by Mr. Cao, Mr. Chen and Dr. Chong in the business of GDC Technology. As the personal investment of each of Mr. Cao, Mr. Chen and Dr. Chong will be directly affected by the performance of GDC Technology, the Board anticipates that Mr. Cao, Mr. Chen and Dr. Chong would devote more time and be more focused on the business of GDC Technology. This additional commitment will facilitate the development of GDC Technology and in turn the continuous development of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider that the Transfer is fair and reasonable and is beneficial to the Company and its shareholders as a whole.

### **FINANCIAL EFFECTS OF THE TRANSFER**

Upon Completion, GDC Technology will remain a subsidiary of each of the Company and Shougang Grand and its financial results and assets and liabilities will remain to be consolidated into the consolidated financial statements of both the Company and Shougang Grand.

The Company and Shougang Grand will receive an aggregate cash consideration of HK\$1,600,000, which is also the gross and net proceeds, from the Transfer. Based on the unaudited consolidated net liability as at 31 May 2006 attributable to the Sale Shares, the Company and Shougang Grand will realise a gain on deemed disposal, being the difference between the net proceeds of the Transfer and the unaudited consolidated net liability of approximately HK\$5,450,000 as at 31 May 2006 attributable to the Sales Shares, in the amount of approximately HK\$7,050,000 upon Completion. Net asset value of the Company and Shougang Grand based on the unaudited consolidated net liability attributable to the Sale Shares is expected to increase by approximately HK\$7,050,000 (being the gain on the deemed disposal). The Transfer is not expected to have any material effect on the liabilities and earnings of the Company or Shougang Grand.

The net proceeds of the Transfer amounting to HK\$1,600,000 will be reinvested into GDC Technology in proportion to the Company's interest in GDC Technology in the form of a shareholder's loan.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE COMPANY

The Company is principally engaged in the digital content business, encompassing creation, production and distribution of digital contents.

### GENERAL

Mr. Cao and Mr. Chen are both directors of the Company, and Dr. Chong is a director of GDC Technology. As each of the percentage ratios applicable to the Transfer is less than 25% and the total consideration is less than HK\$10,000,000, the Transfer constitutes a discloseable and connected transaction for the Company and is exempted from independent shareholders' approval requirements under Rule 20.32 of the GEM Listing Rules.

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,

By Order of the Board of

**GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED**

**Cao Zhong**

*Chairman and Executive Director*

**1. RESPONSIBILITY STATEMENT**

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading, there are no other matters the omission of which would make any statement contained herein misleading and all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

**2. DISCLOSURE OF INTERESTS****(a) Interests and short positions of the Directors in shares and underlying shares of the Company and its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

*Long positions in Shares and underlying Shares:*

Mr. Leung Shun Sang, Tony was personally interested in 8,278,000 shares and 679 share options of Shougang Concord Grand (Group) Limited, the holding company of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed in this circular, none of the Directors or proposed Director is a director or employee of a company which has an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO.

**(b) Service contracts**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company (excluding contracts

expiring or determinable within one year without payment of compensation other than statutory compensation).

**(c) Directors' interests in competing businesses**

As at the Latest Practicable Date, the interests of the Directors in the businesses (other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or any member of the Group) which were considered to compete or were likely to compete, either directly or indirectly, with the businesses of the Group were as follows:

<b>Name of Director</b>	<b>Name of entity whose businesses were considered to compete or likely to compete with the businesses of the Group</b>	<b>Description of businesses of the entity which were considered to compete or likely to compete with the businesses of the Group</b>
Cao Zhong	Shougang Grand ( <i>Note 1</i> )	Property investment and management financial services and cultural recreation content provision ( <i>Note 2</i> )
Cheng Zheng	Shougang Grand ( <i>Note 1</i> )	Property investment and management financial services and cultural recreation content provision ( <i>Note 2</i> )
Leung Shun Sang, Tong	Shougang Grand ( <i>Note 1</i> )	Property investment and management financial services and cultural recreation content provision ( <i>Note 2</i> )
Hui Hung, Stephen	Shougang Grand ( <i>Note 3</i> )	Property investment and management financial services and cultural recreation content provision ( <i>Note 2</i> )

*Notes:*

- (1) Shougang Grand through Upper Nice Assets Ltd. indirectly holds approximately 82.22% (including underlying shares) interests in the Company
- (2) Those businesses are carried out through its subsidiaries or associates or by way of other form of investments.
- (3) Hui Hung, Stephen resigned as director of Shougang Grand on 27 February 2006.

Save as disclosed above, as at the Latest Practicable Date, in so far as the Directors were aware, none of the Directors or their respective associates had any interest in a business that competed or was likely to compete with the business of the Group.

**(d) Directors' interests in assets and contracts**

None of the Directors had any direct or indirect interest in any assets which have been acquired or disposed or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2005, being the date to which the latest published audited accounts of the Group were made up.

None of the Directors was materially interested, directly or indirectly, in any contract or arrangements entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

**3. SUBSTANTIAL SHAREHOLDERS**

- (a) As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of SFO, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the Shares and the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO:

*Long positions in the Shares*

Name of shareholder	Capacity in which interests are held	Number of shares held in the Company	Percentage of interest as to the issued share capital of the Company	Note(s)
Shougang Holding (Hong Kong) Limited ("Shougang Holding")	Interests in controlled corporation	658,466,023	82.22%	1
Shougang Grand	Interests in controlled corporation	658,466,023	82.22%	1
Upper Nice Assets Ltd. ("Upper Nice")	Beneficial owner	658,466,023	82.22%	1
Mr. Li Baoku	Beneficial owner	58,000,000	7.24%	2
Sotas Limited ("Sotas")	Beneficial owner	55,544,102	6.94%	3
Morningside CyberVentures Holdings Limited ("Morningside")	Other	55,544,102	6.94%	3

Name of shareholder	Capacity in which interests are held	Number of shares held in the Company	Percentage of interest as to the issued share capital of the Company	Note(s)
Biswick Holdings Limited (“Biswick”)	Other	55,544,102	6.94%	3
Verrall Limited (“Verrall”)	Other	55,544,102	6.94%	3
Verrall Enterprises Holdings Limited	Other	55,544,102	6.94%	3
Mrs. Chan Tan Ching Fen	Other	55,544,102	6.94%	3

*Notes:*

- (1) Upper Nice Assets Ltd. is an indirectly wholly-owned subsidiary of Shougang Grand which is incorporated in Bermuda as an exempted company with limited liability with its securities listed on the Main Board of the Stock Exchange and is regarded to be held as to approximately 41% by Shougang Holding as recorded under the register Shougang Grand kept under Section 336 of the SFO. The interests held by Upper Nice are included in the interests held by both of Shougang Grand and Shougang Holding.

Upper Nice (as the grantor) and Shougang Grand (as the guarantor) granted the Put Options (as defined in the joint announcement of the Company and Shougang Grand dated 25 August 2005) and whereby Upper Nice is obliged to purchase 58,000,000 shares of the Company, representing approximately 7.24% issued share capital of the Company at the exercise price of HK\$0.22 per share. On 5 November 2005, the 58,000,000 Options Shares have been transferred to Mr. Li Baoku at a price of HK\$0.20 per Option Share and the Put Option relating to such Option Shares have also been assigned to Mr. Li Baoku.

- (2) Mr. Li Baoku beneficially owns 58,000,000 shares of the Company. In the event that exercises the Put Option, he will be entitled to sell up to all of the Option Shares beneficially owned by Mr. Li Baoku at the Exercise Price HK\$0.22 and Upper Nice is obliged to purchase the 58,000,000 Option Shares of the Company in respect of which the Put Option is exercised at such Exercise Price.
- (3) The 55,544,102 shares were held by Sotas, a company incorporated in the British Virgin Islands with limited liability. Sotas is wholly-owned by Morningside. Morningside is wholly-owned by Biswick in its capacity as trustee of a unit trust and units of which are owned by Verrall Enterprise Holdings Limited and Verrall in their capacities as trustees of family trusts established by Madam Chan Tan Ching Fen. Madam Chan Tan Ching Fen is taken to be interested in the shares disclosed herein in her capacity as founder of the trust (as that term is defined in the SFO).

*Short positions in the Shares*

Name of shareholder	Capacity in which interests are held	Number of shares held in the Company	Percentage of interest as to the issued share capital of the Company	Note(s)
Mr. Li Baoku	Beneficial owner	58,000,000	7.24%	1

*Note:*

- (1) The 58,000,000 Option Shares have been transferred to Mr. Li Baoku at a price of HK\$0.20 per Option Share and the Put Option relating to such Option Shares have also been assigned to Mr. Li Baoku. Pursuant to the Option Agreement, in the event that exercises the Put Option, Mr. Li Baoku shall be entitled to sell up to all of the Option Shares beneficially owned by Mr. Li Baoku at the Exercise Price HK\$0.22 and Upper Nice is obliged to purchase the 58,000,000 Option Shares of the Company in respect of which the Put Option is exercised at such Exercise Price.
- (b) Save as disclosed above, the Directors and chief executive of the Company were not aware of any person who has an interest or short position in the Shares, or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

**4. LITIGATION**

On 14 May 2003, GDC Entertainment Limited (“**GDC Entertainment**”), a subsidiary of the Company, entered into a co-production agreement (the “**Co-production Agreement**”) with Westwood Audiovisual and Multimedia Consultants, Inc. (“**WAMC**”) and Production and Partners Multimedia, SAS (“**P&PM**”), in which the Group has a 25% equity interest, in relation to an animated television series.

In about November 2004, P&PM and WAMC commenced proceedings against GDC Entertainment in the Court of Commerce of Angoulême (France) alleging breaches on the part of GDC Entertainment of the Co-production Agreement.

In relation to the French proceedings, the Group’s French legal advisers have advised that (i) the proceedings would be very difficult and costly for P&PM and WAMC to pursue and (ii) the enforcement of P&PM’s and WAMC’s claims should they succeed would only be limited to the assets of GDC Entertainment.

Further, arbitration proceedings were commenced by GDC Entertainment against P&PM and WAMC in Hong Kong by way of a notice of arbitration dated 16 June 2005 issued pursuant to the Co-production Agreement. In the arbitration, issues will be raised by GDC Entertainment as to whether P&PM and/or WAMC was in repudiatory breach of the Co-production Agreement which entitled GDC Entertainment to terminate the same and claim damages from P&PM and WAMC. Pleadings have not yet exchanged in the arbitration. P&PM and WAMC have applied to the arbitrator for the determination of a preliminary issue

as to whether the arbitrator has jurisdiction to hear the dispute which GDC Entertainment will refer to the arbitrator in the arbitration. The hearing of the application was held on 20 January 2006. The arbitrator published her Award on the Issue of Jurisdiction on 23 March 2006 dismissing the application, and made an order for costs in GDC Entertainment's favour in respect of the application. As at the Latest Practicable Date, no further steps have been taken by the parties to advance the arbitration.

Save as disclosed above, neither the Company nor any other members of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

## **5. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading positing of the Group since 31 December 2005, being the date to which the latest published audited accounts of the Company were made up.

## **6. GENERAL**

- (a) The registered office of the Company is at Clarendon House, Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at 6th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (b) The Company's principal share registrar and transfer office is The Bank of Bermuda Limited, Bank of Bermuda Building, 6 Front Street, Hamilton HM11, Bermuda and the Company's Hong Kong branch share registrar and transfer office is Standard Registrars Limited, Level 25, Three Pacific Place, 1 Queen's Road East, Hong Kong.
- (c) The company secretary of the Company is Mr. Tang Wing Fai, who is an associate member of The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators.
- (d) The qualified accountant of the Company is Mr. Tsang Yu Tit who is an associate member of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants.
- (e) The compliance officer of the Company is Mr. Chen Zheng who is also an executive Director.
- (f) The Company has established an audit committee with written terms of reference in compliance with GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group, and to review the Company's annual report, half-yearly reports and quarterly reports and to provide advice and comments thereon to the Board of Directors. The audit committee comprises of Mr. Kwong Che Keung, Gordon, Mr. Bu Fan Xiao and Mr. Hui Hung, Stephen, all of whom are independent non-executive Directors. For the details of Mr. Kwong Che Keung, Gordon, Mr. Bu Fan Xiao and Mr. Hui Hung, Stephen, please refer to pages 23 and



24 of the Company's annual report for 2005.

- (g) The English text of this circular shall prevail over the Chinese text.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the instruments of transfer in respect of the Transfer are available for inspection at the Company's principal place of business in Hong Kong at 6th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong during normal business hours on any weekday other than public holidays, from the date of this circular up to and including 11 August 2006.