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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

The Company has received a revised claim from PPM alleging a breach of the Co-production Agreement. The board of directors of the Company is currently considering whether any provision is required to be made for the year ended 31 December 2004.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

At the request of the Company, trading in the Company's shares has been suspended from 9:30 a.m. on 31 March 2005 pending the release of the audited annual results announcement for the year ended 31 December 2004.

As disclosed in the response document of Global Digital Creations Holdings Limited (the "**Company**") in respect of the voluntary share exchange offer made by and on behalf of Upper Nice Assets Ltd. dated 27 January 2005, there was a claim against GDC Entertainment Limited, a wholly-owned subsidiary of the Company relating to the co-production agreement entered into by GDC Entertainment Limited with West Audiovisual and Multimedia Consultants, Inc. and Production and Partners Multimedia, SAS ("**PPM**") in respect of an animated television series (the "**Co-production Agreement**").

Since then, the Company has received a revised claim which may affect the recoverability of production work in progress under the Co-production Agreement and a further claim of Euro 5 million from PPM. The board of directors of the Company is considering the legal advice from its French legal advisor regarding the revised claim of PPM and will discuss with its auditors to determine whether any provision is required to be made for the year ended 31 December 2004.

The Company will make further announcement in the event of any material further development regarding the above proceeding. There may be a negative impact on the results and net tangible assets of the Company should any provision be made for the year ended 31 December 2004.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

At the request of the Company, trading in the Company's shares has been suspended from 9:30 a.m. on 31 March 2005 pending the release of the audited annual results announcement for the year ended 31 December 2004.

By Order of the Board
Global Digital Creations Holdings Limited
Cheung Kei Yim
Company Secretary

Hong Kong, 4 April 2005

** For identification purpose only*

This announcement, for which the directors collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market 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, (1) the information contained in this announcement is accurate and complete in all material respects 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.

As at the date of this announcement, the board of directors of the Company comprised Dr. 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); and Mr. Chen Zheng (General manager and executive Director); Mr. Gordon Kwong Che Keung, Professor Japhet Sebastian Law and Mr. Paul Kwan Yuen Chiu (independent non-executive Directors).

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for seven days from the date of its posting.