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首長四方（集團）有限公司*
SHOUGANG CONCORD GRAND
(GROUP) LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 730)



環球數碼創意控股有限公司*
GLOBAL DIGITAL CREATIONS
HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 8271)

DISCLOSEABLE TRANSACTION
TOP-UP PLACING
AND
RESUMPTION OF TRADING

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Top-up Placing

Pursuant to the Placing and Subscription Agreement dated 30 April 2007, as amended by the Supplemental Agreement dated 2 May 2007 entered into between Upper Nice, Shougang Grand, GDC and the Placing Agent, the Placing Agent has agreed to, on a fully underwritten basis, procure purchasers to acquire, and Upper Nice has agreed to sell, 105,000,000 existing GDC Shares at the Placing Price of HK\$1.61 per GDC Share.

The Placing Shares represent approximately 9.63% of the existing issued share capital of GDC and approximately 8.82% of the issued share capital of GDC as enlarged by the Subscription. The Placing Price represents (i) a discount of 19.50% to the closing price of HK\$2.00 per GDC Share as quoted on the Stock Exchange on 27 April 2007, the last trading date immediately preceding the date of the Placing and Subscription Agreement; and (ii) a discount of approximately 10.16% of the average closing price of HK\$1.792 per GDC Share as quoted on the Stock Exchange for the last five trading days up to and including 27 April 2007. Pursuant to the Placing and Subscription Agreement and the Supplemental Agreement, Upper Nice has also conditionally agreed to subscribe for the Subscription Shares at the Subscription Price. The Subscription Shares represent approximately 9.17% of the existing issued share capital of GDC and approximately 8.40% of the issued share capital of GDC as enlarged by the Subscription.

As the Placing and the Subscription was considered a discloseable transaction for Shougang Grand, a circular containing, amongst other things, details relating to the Placing and the Subscription will be sent to the shareholders of Shougang Grand as soon as practicable.

Resumption of Trading

At the request of Shougang Grand, trading in Shougang Grand Shares on the Stock Exchange was suspended from 9:30 a.m. on 30 April 2007 pending the release of this announcement. Application has been made by Shougang Grand to the Stock Exchange for the resumption of trading in Shougang Grand Shares on the Stock Exchange with effect from 9:30 a.m. on 3 May 2007.

At the request of GDC, trading in GDC Shares on the GEM was suspended from 9:30 a.m. on 30 April 2007 pending the release of this announcement. Application has been made by GDC to the GEM for the resumption of trading in GDC Shares on the GEM with effect from 9:30 a.m. on 3 May 2007.

A. TOP-UP PLACING

Placing and Subscription Agreement and Supplemental Agreement

Date : On 30 April 2007 the Placing and Subscription Agreement was entered into by the parties which was amended by the Supplemental Agreement dated 2 May 2007.

Parties :

- (a) Upper Nice, an indirect wholly-owned subsidiary of Shougang Grand, the holding company of GDC;
- (b) Shougang Grand (as a warrantor);
- (c) GDC; and
- (d) the Placing Agent, an independent third party and is not a connected person of each of GDC and Shougang Grand.

Placing Shares

105,000,000 existing GDC Shares are to be placed, representing approximately 9.63% of the existing issued share capital of GDC and approximately 8.82% of the issued share capital of GDC as enlarged by the Subscription.

Placing Price

The Placing Price of HK\$1.61 per GDC Share was arrived at after arm's length negotiations between GDC, Upper Nice and the Placing Agent. It represents: (i) a discount of 19.50% to the closing price of HK\$2.00 per GDC Share as quoted on the Stock Exchange on 27 April 2007, being the last trading date immediately preceding the date of the Placing and Subscription Agreement; and (ii) a discount of approximately

10.16% of the average closing price of HK\$1.792 per GDC Share as quoted on the Stock Exchange for the last five trading days up to and including 27 April 2007. The Directors (including the independent non-executive Directors) are of the opinion that the Placing Price is fair and reasonable and in the interests of Shougang Grand and its shareholders as a whole.

Rights

The Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching thereto, including the right to receive all dividends or other distributions declared, made or paid on or after completion of the Placing.

Independence of placees

The Placing Agent will procure as agent of Upper Nice purchasers for the Placing Shares. The Placees and their ultimate beneficial owners will be third parties independent of and not connected with the directors, chief executives or substantial shareholders of GDC and Shougang Grand or any of their respective subsidiaries or any of their respective associates. The Placing Agent expects that there will be at least six independent Placees. It is not expected that any Placees will become a substantial shareholder of GDC immediately after the Placing.

Completion of the Placing

Completion of the Placing will be completed on 7 May 2007 (or such other date as the parties may agree in writing).

Subscription Shares

100,000,000 Subscription Shares will be subscribed by Upper Nice, representing approximately 9.17% of the existing issued share capital of GDC and approximately 8.40% of the issued share capital of GDC as enlarged by the Subscription.

Subscription Price

The Subscription Price is equivalent to the Placing Price of HK\$1.61 per GDC Share. The Subscription Shares have a market value of HK\$200 million based on the closing price of the GDC Shares of HK\$2.00 on 27 April 2007. The net price of the Subscription Shares is approximately HK\$1.57 per GDC Share.

General mandate to issue the Subscription Shares

The Subscription Shares will be issued pursuant to the general mandate granted by the shareholders of GDC to the directors of GDC at the special general meeting of GDC held on 23 April 2007. As at the date of this announcement, no GDC Shares have been issued under this general mandate.

An application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Ranking

The Subscription Shares shall, when fully paid, rank pari passu in all respects with the existing GDC Shares in issue.

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (a) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares;
- (b) completion of the Placing; and
- (c) (if necessary) the Bermuda Monetary Authority consenting to the issue of the Subscription Shares.

None of the above conditions can be waived and the Subscription cannot be completed unless all the above conditions are fulfilled.

Completion of the Subscription

Completion of the Subscription shall take place on the second Business Day following the fulfilment of all of the above conditions precedent, or such other date as GDC and Upper Nice may agree in writing. It is intended that completion of the Subscription will take place no later than 14 days after the date of the Placing and Subscription Agreement, which is 14 May 2007.

B. INFORMATION ON GDC

The following table shows the audited consolidated financial information of GDC for the two years ended 31 December 2006:

	For the year ended 31 December 2005 <i>HK\$'000</i>	For the year ended 31 December 2006 <i>HK\$'000</i>
Loss before tax	76,205	30,245
Loss for the year attributable to equity holders of GDC	76,356	30,245

As at 31 December 2006, the audited consolidated net liabilities of GDC were approximately HK\$154,709,000.

C. CHANGES IN THE SHAREHOLDING STRUCTURE OF GDC

The shareholdings in GDC before and after the Placing and Subscription are summarised as follows:

Shareholder	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>Number of GDC Shares</i>	<i>%</i>	<i>Number of GDC Shares</i>	<i>%</i>	<i>Number of GDC Shares</i>	<i>%</i>
Upper Nice and its associates	670,360,023	61.48	565,360,023	51.85	665,360,023	55.90
GDC Directors	16,817,220	1.54	16,817,220	1.54	16,817,220	1.41
Placees	–	–	105,000,000	9.63	105,000,000	8.82
Other public shareholders	403,163,257	36.98	403,163,257	36.98	403,163,257	33.87
Total	<u>1,090,340,500</u>	<u>100.00</u>	<u>1,090,340,500</u>	<u>100.00</u>	<u>1,190,340,500</u>	<u>100.00</u>

Note: Assuming no new GDC Shares will be issued save for the Subscription Shares.

For the 105,000,000 Placing Shares, 60,000,000 Placing Shares and 27,000,000 Placing Shares will be placed to Credit Sussie (Hong Kong) Limited and Keywise Capital Management (HK) Limited, respectively.

Upon completion of the Placing and the Subscription, GDC will continue to be accounted for as a subsidiary of Shougang Grand.

D. REASON FOR THE PLACING

The Placing and the Subscription are effected to enable GDC to raise funds for the projects of the GDC Group and as general working capital and for the repayment of loans while broaden the shareholder's base and the capital base of GDC. The respective directors of GDC and Shougang Grand (including their respective independent non-executive directors) consider that the terms and conditions of the Placing and Subscription Agreement and the Supplemental Agreement are fair and reasonable and are in the interests of GDC and Shougang Grand and their respective shareholders as a whole are concerned.

The net proceeds from the Subscription are estimated to be approximately HK\$157 million. Such proceeds will be used by GDC as to approximately HK\$137 million for the deployment of digital cinema network project in the PRC, and the remaining balance will be used as general working capital of the GDC Group and for the repayment of loans.

The net proceeds from the placing of 5,000,000 GDC Shares by Shougang Grand is estimated to be approximately HK\$8 million and will be applied as general working capital of Shougang Grand.

E. CAPITAL RAISING ACTIVITIES OF GDC DURING THE PAST 12 MONTHS

GDC has carried out the following capital raising activity during the past 12 months:

Date of announcement	Capital Raising Activity	Net Proceeds Raised	Use of Proceeds
6 July 2006	Transfer of shares in GDC Technology Limited	HK\$1.6 million	Reinvested by GDC in GDC Technology Limited in the form of a shareholder's loan
5 December 2006	Subscription of shares in GDC Technology Limited and subscription of shares in GDC	HK\$59.3 million	Approximately HK\$50.07 million was utilised for business expansion and enhancement of research and development activities of GDC Technology Limited, a non-wholly owned subsidiary of GDC, and approximately HK\$9.23 million was used as general working capital of GDC
16 March 2007	Top-up placing and subscription of new shares in GDC	HK\$116.6 million	Approximately HK\$75 million would be used for the deployment of digital cinema network projects in the PRC and the remaining balance for the repayment of loans and as general working capital of the GDC Group

F. GENERAL

Shougang Grand is an investment holding company and its subsidiaries are principally engaged in property investment and management, cultural mass media and provision of financial services.

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

As the Placing and the Subscription was considered a discloseable transaction for Shougang Grand, a circular containing, amongst other things, details relating to the Placing and the Subscription will be sent to the shareholders of Shougang Grand as soon as practicable.

At the request of Shougang Grand, trading in Shougang Grand Shares on the Stock Exchange was suspended from 9:30 a.m. on 30 April 2007 pending the release of this announcement. Application has been made by Shougang Grand to the Stock Exchange

for the resumption of trading in Shougang Grand Shares on the Stock Exchange with effect from 9:30 a.m. on 3 May 2007.

At the request of GDC, trading in GDC Shares on the GEM was suspended from 9:30 a.m. on 30 April 2007 pending the release of this announcement. Application has been made by GDC to the GEM for the resumption of trading in GDC Shares on the GEM with effect from 9:30 a.m. on 3 May 2007.

DEFINITIONS

“associates”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are open for general business in Hong Kong
“connected person(s)”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules
“Directors”	directors of Shougang Grand
“GDC”	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability whose securities are listed on GEM
“GDC Directors”	directors of GDC
“GDC Group”	GDC and its subsidiaries
“GDC Share(s)”	share(s) of HK\$0.01 each in the share capital of GDC
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM and any amendments thereto
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange and any amendments thereto
“Placees”	any person or entity whom the Placing Agent or its agent has procured to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares pursuant to the Placing and Subscription Agreement and the Supplemental Agreement

“Placing Agent”	CITIC Securities Corporate Finance (HK) Limited, a corporation licensed to carry on Types 1 and 6 of the regulated activities under the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“Placing and Subscription Agreement”	the placing and subscription agreement dated 30 April 2007 between Upper Nice, Shougang Grand, GDC and the Placing Agent
“Placing Price”	HK\$1.61 per Placing Share
“Placing Shares”	105,000,000 existing GDC Shares
“PRC”	the People’s Republic of China and for the purpose of this announcement shall exclude Hong Kong, the Macau Special administrative Region and Taiwan
“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 the holding company of GDC
“Shougang Grand Shares”	share(s) of HK\$0.01 each in the share capital of Shougang Grand
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the conditional subscription by Upper Nice of the Subscription Shares pursuant to the Placing and Subscription Agreement and the Supplemental Agreement
“Subscription Price”	HK\$1.61 per GDC Share, the equivalent of the Placing Price per GDC Share
“Subscription Shares”	100,000,000 new GDC Shares to be subscribed by Upper Nice pursuant to the Placing and Subscription Agreement
“subsidiary”	has the meaning ascribed to it in section 2(4) of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Placing and Subscription Agreement dated 2 May 2007 between Upper Nice, Shougang Grand, GDC and the Placing Agent

“Upper Nice”

Upper Nice Assets Ltd., a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of Shougang Grand, the holding company of GDC

By Order of the Board
**SHOUGANG CONCORD GRAND
(GROUP) LIMITED**
Cao Zhong
*Vice Chairman and
Managing Director*

By Order of the Board
**GLOBAL DIGITAL CREATIONS
HOLDINGS LIMITED**
Chen Zheng
*Executive Director and
Chief Executive Officer*

2 May 2007

As at the date of this announcement, the board of Shougang Grand comprises Mr. Wang Qinghai (Chairman), Mr. Cao Zhong (Vice Chairman and Managing Director), Mr. Chen Zheng (Managing Director of Operations), Mr. Wang Tian (Deputy Managing Director), Ms. Cheng Xiaoyu (Deputy Managing Director), Mr. Yuan Wenxin (Deputy Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Tam King Ching, Kenny (Independent Non-executive Director), Ms. Zhou Jianhong (Independent Non-executive Director) and Mr. Yip Kin Man, Raymond (Independent Non-executive Director).

As at the date of this announcement, the board of GDC comprises Mr. Cao Zhong (Chairman and Executive Director), Mr. Chen Zheng (Chief Executive Officer and Executive Director), Mr. Jin Guo Ping and Dr. Xu Qing, Catherine (Vice Presidents and Executive Directors), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Kwong Che Keung, Gordon, Professor Bu Fan Xiao and Mr. Hui Hung, Stephen (Independent Non-Executive Directors).

This announcement, for which the directors of GDC 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 GDC. The directors of GDC, 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; (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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.

** For identification purpose only*