
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Global Digital Creations Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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環球數碼

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)

**PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME,
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice of the annual general meeting is contained in this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting of the Company or any adjourned meeting (as the case may be) should you so wish.

This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of posting.

15 April 2013

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	5
2. General mandates to issue Shares and repurchase Shares	6
3. Re-election of retiring Directors	6
4. Proposal for adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme.	7
5. Annual General Meeting	9
6. Voting by poll.	10
7. Recommendation.	10
 Appendix I – Explanatory Statement	 11
Appendix II – Details of Retiring Directors for Re-election.	14
Appendix III – Summary of the Principal terms of the New Share Option Scheme	18
Notice of the Annual General Meeting.	30

DEFINITIONS

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

“Allotment Date”	the date on which Shares are allotted to a grantee (or his legal representatives) pursuant to the Option granted and exercised hereunder
“Annual General Meeting”	the annual general meeting of the Company to be held at The Residence, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 June 2013 at 10:00 a.m. or any adjournment thereof
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“Bye-laws”	the bye-laws of the Company
“Company”	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“connected person(s)”	has the same meaning as ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to it under the GEM Listing Rules
“Culpable Termination”	termination of the employment of an Executive on the grounds that he has been guilty of serious misconduct, or there exists grounds allowing his summary dismissal under his employment contract or under common law, or he is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable law, or he has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or he has been convicted of any criminal offence involving his integrity or honesty;
“Director(s)”	the director(s) of the Company
“Effective Date”	18 June 2013, the date on which the last condition set out in the New Share Option Scheme is fulfilled

DEFINITIONS

“Eligible Person(s)”	means any of the following persons: <ul style="list-style-type: none">(a) an Executive;(b) a director or proposed director (including an independent non-executive director) of any member of the Group;(c) a direct or indirect shareholder of any member of the Group;(d) a supplier of goods or services to any member of the Group;(e) a customer, consultant, business or joint venture partner, franchisee, contract, agent, representative of any member of the Group;(f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group;(g) an associate of any of the foregoing persons
“Employee(s)”	any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group
“Executive”	any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of the Group
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 18 July 2003
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange as amended from time to time
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	9 April 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“New Share Option Scheme”	the new share option scheme which is proposed to be adopted by the Company at the Annual General Meeting, the principal terms of which are set out in Appendix III in this circular
“New Share Option Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company, which, initially, shall not in aggregate exceed 10 per cent. of the number of Shares in issue as the date on which approval is obtained from the Shareholders for the adoption of the New Share Option Scheme
“Offer Date”	the date of the Board resolution approving the grant of Options, which must be a Business Day
“Option(s)”	in relation to the New Share Option Scheme, an option to subscribe for Shares granted pursuant to the New Share Option Scheme and for the time being subsisting
“Option Period”	in respect of any particular Option, the period commencing immediately after the Business Day on which the Option is deemed to be granted and accepted in accordance with the New Share Option Scheme and expiring on a date to be determined and notified by the Directors to each grantee provided that such period shall not exceed the period of 10 years from the date of the grant of a particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme
“PRC”	the People’s Republic of China, for the purpose of this circular, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution approving the repurchase mandate
“SCG”	Shougang Concord Grand (Group) Limited, a company incorporated in Bermuda with a limited liability, the shares of which are listed on the main board of the Stock Exchange

DEFINITIONS

“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders(s)”	has the same meaning as ascribed to it under the SFO
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



環球數碼

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. Li Shaofeng (*Chairman*)

Mr. Chen Zheng (*Chief Executive Officer*)

Mr. Jin Guo Ping (*Vice President*)

Non-executive Director:

Mr. Leung Shun Sang, Tony

Independent Non-executive Directors:

Mr. Kwong Che Keung, Gordon

Prof. Japhet Sebastian Law

Mr. Chan Chung Chun

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head Office and Principal Place of
Business in Hong Kong:*

Unit 1-7, 20/F., Kodak House II

39 Healthy Street East

North Point

Hong Kong

15 April 2013

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME,
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the Annual General Meeting, among other things, (i) granting of general mandates to the Directors to issue Shares and repurchase Shares; (ii) re-election of retiring Directors; and (iii) the proposed adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme. These resolutions will be proposed at the Annual General Meeting and are set out in the Notice of the Annual General Meeting as contained in this circular.

* *For identification purpose only*

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 25 May 2012, the general mandates were granted to the Directors authorising them, inter alia, (a) to exercise the power of the Company to allot and issue Shares not exceeding 20% of the issued share capital as at 25 May 2012; (b) to exercise the power of the Company to repurchase Shares not exceeding 10% of the issued share capital as at 25 May 2012; and (c) to extend the general mandate to issue Shares by the number of Shares purchased under the repurchase mandate mentioned in (b) above. Such general mandates will expire at the conclusion of the Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding in aggregate 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of such resolution; (ii) to repurchase Shares comprising the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of such resolution; and (iii) to add the aggregate amount of the Shares repurchased by the Company to the general mandate to the Directors to allot new Shares of up to 20% of the issued share capital of the Company.

Based on 1,518,255,540 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased or issued prior to the Annual General Meeting, subject to the passing of the relevant ordinary resolutions to approve the mandate to issue Shares at the Annual General Meeting, the Directors will be authorised to allot and issue up to a limit of 303,651,108 Shares under the general mandate to issue Shares.

If approved by the Shareholders on the Annual General Meeting, the general mandate to issue Shares will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; or (iii) the revocation or variation of the ordinary resolution to approve the mandate to issue Shares by any ordinary resolution of the Shareholders in a general meeting.

An explanatory statement, required by the GEM Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate, is set out in Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant proposed ordinary resolution for the grant of the Repurchase Mandate at the Annual General Meeting.

3. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the clause 86(2) of the Bye-laws, Mr. Chan Chung Chun, shall retire from office, and being eligible, offer himself for re-election at the Annual General Meeting.

LETTER FROM THE BOARD

Pursuant to the clause 87(2) of the Bye-laws, Mr. Chen Zheng, Mr. Jin Guo Ping and Prof. Japhet Sebastian Law shall retire from office by rotation, and being eligible, shall offer themselves for re-election at the Annual General Meeting. Details of the retiring Directors to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

4. PROPOSAL FOR ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme

Pursuant to an ordinary resolution passed by the Shareholders at a special general meeting of the Company on 18 July 2003, the Company had adopted the Existing Share Option Scheme, pursuant to which the Board was authorised to grant Options to any eligible persons, including any employee, director, advisor, consultant of the Group.

During the term of the Existing Share Option Scheme up to the Latest Practicable Date, a total of 190,698,380 Options had been granted by the Company under the Existing Share Option Scheme to subscribe for an aggregate of 190,698,380 Shares, out of which 62,435,540 Options were exercised, 14,300,000 options has cancelled, 61,902,840 Options had lapsed and 52,060,000 Options remain outstanding. The Company has not adopted any share option scheme other than the Existing Share Option Scheme. The Board do not intend to grant further Options under the Existing Share Option Scheme prior to the date of the Annual General Meeting.

Termination of the Existing Share Option Scheme

Under the terms of the Existing Share Option Scheme, the Company may by resolution in general meeting at any time terminate the operation of the Existing Share Option Scheme. It is proposed by the Directors that at the Annual General Meeting, an ordinary resolution be proposed for the Company to terminate the operation of the Existing Share Option Scheme (such that no further Options could thereafter be offered under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect) and to approve and adopt the New Share Option Scheme, which will take effect on the date of its adoption at the Annual General Meeting subject to the Stock Exchange granting approval for the listing of and dealing in the Shares fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

New Share Option Scheme

The purpose of the New Share Option Scheme is motivate Eligible Persons to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executive, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

LETTER FROM THE BOARD

The rules of the New Share Option Scheme provide that the Company may specify the Eligible Persons to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme. The New Share Option Scheme does not stipulate either a minimum period for which an Option must be held or any performance targets a Grantee is required to achieve before an Option can be exercised. The Board may however specify in the offer of grant of an Option the minimum period, if any, for which an option must be held or performance targets, if any, that must be achieved before the Option can be exercised. The Directors believe that will provide the Board with more flexibility in setting the terms of the Options having considered the particular circumstances of each grant with an aim to offer valuable incentive to attract and retain quality personnel and other persons to work to increase the value of the Group.

A resolution will be proposed at the Annual General Meeting to seek approval of the Shareholders for the Board to grant Options under the New Share Option Scheme for the subscription of not more than 10% of the entire issued capital of the Company (excluding, for this purpose, Options which have lapsed in accordance with the terms of any other share option scheme of the Group, and the outstanding Options granted and yet to be exercised pursuant to the Existing Share Option Scheme) as at the date of the passing of the relevant resolution.

As at the Latest Practicable Date, there were 1,518,255,540 Shares in issue. Assuming that no further Share will be allotted, issued or repurchased prior to the Annual General Meeting, the total number of the Shares issuable pursuant to the Existing Share Option Scheme would be 151,825,554 Shares, representing 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme. This maximum amount of Options together with the 190,698,380 Options granted under the Existing Share Option Scheme in aggregate is within the overall limit of 30% prescribed under Rule 23.03(3) of the GEM Listing Rules.

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are critical for the calculation of the value of such Options (such as the price per Share payable on the exercise of an Option and other terms and conditions to which an Option may be subject) cannot be determined. Accordingly, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to the Shareholders in the circumstances.

With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 23 of the GEM Listing Rules.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee.

LETTER FROM THE BOARD

Conditions precedent of The New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions of the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the Annual General Meeting is set out in the Appendix III to this circular on pages 18 to 29. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's head office and principal place of business in Hong Kong at Unit 1-7, 20/F., Kodak House II, 39 Healthy Street East, North Point, Hong Kong, during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

In accordance with the requirements of the GEM Listing Rules, the Company will publish an announcement on the Company and the Stock Exchange's websites on the poll vote result of the Annual General Meeting in respect of the resolution relating to the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme.

5. ANNUAL GENERAL MEETING

Set out on pages 30 to 34 of this circular is the Notice of the Annual General Meeting. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the general mandates to issue Shares and repurchase Shares, re-election of retiring Directors, re-appointment of auditor and the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme.

A form of proxy for the Annual General Meeting is enclosed herewith. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution in relation to the proposed adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

6. VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the Annual General Meeting shall be voted by poll.

7. RECOMMENDATION

The Directors consider that the (i) grant of general mandates to the Directors to issue Shares and repurchase Shares; (ii) re-election of retiring Directors; and (iii) the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of
Global Digital Creations Holdings Limited
Li Shaofeng
Chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules which is set out as follows:

1. SHAREHOLDERS' APPROVAL

All proposed repurchases of shares by a company with a primary listing on GEM must be approved in advance by an ordinary resolution, either by way of general mandate or by special approval of a particular transaction. The Company's sole listing is on GEM.

2. SOURCE OF FUNDS

Repurchases must be funded out of funds legally available for the purpose in accordance with the Bye-laws and the applicable laws of Bermuda. It is presently proposed that any Shares repurchased under the Repurchase Mandate would be purchased out of the capital paid up on the repurchased Shares, the profits of the Company which would otherwise be available for dividend and the Company's share premium reserve.

3. EXERCISE OF THE REPURCHASE MANDATE

The Shares proposed to be repurchased by the Company must be fully paid up. Under the GEM Listing Rules, the total number of shares which a company is authorised to repurchase on GEM is shares representing up to a maximum of 10% of the existing issued share capital as at the date of the resolution granting such general mandate. Exercise in full of the Repurchase Mandate, on the basis of 1,518,255,540 Shares in issue as at the Latest Practicable Date and assuming no Shares are issued and repurchased by the Company prior to the Annual General Meeting, could result in up to 151,825,554 Shares, which represents 10% of the issued share capital of the Company as at the Latest Practicable Date, being repurchased by the Company during the period from the passing of the resolution granting the Repurchase Mandate up to the conclusion of the next annual general meeting of the Company or the expiration of the period within the next annual general meeting of the Company as required by the Bye-laws or any applicable laws to be held, or when revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first.

4. REASONS FOR REPURCHASE

Although the Directors have no present intention of repurchasing any Shares, they believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to purchase Shares on the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

5. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws and the applicable laws of Bermuda.

The exercise in full of the Repurchase Mandate might have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in its most recent audited accounts for the year ended 31 December 2012. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

6. GENERAL

- (a) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention, in the event that the Repurchase Mandate is approved by the Shareholders to sell the Shares to the Company or its subsidiaries.
- (b) The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of Bermuda.
- (c) If as a result of the share repurchase, a shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of a repurchasing company and thereby, become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, SCG and its associates were interested in approximately 40.78% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full and no further Shares are issued during the proposed repurchase period, the interest held by SCG and its associates in the issued share capital of the Company will increase to approximately 45.31%. The Directors are not aware of any consequences for SCG and its associates under the Takeovers Code as a result, solely, of the Directors exercising the Repurchase Mandate in full.

- (d) The Company has not repurchased any of its Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date and will not repurchase its Shares if public float is less than 25%.
- (e) No connected person has notified the Company that he or she has a present intention to sell Shares to the Company, and no connected person has undertaken not to sell any of Shares held by him or her to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

- (f) The highest and lowest prices at which the Shares have traded on GEM during each of the previous twelve months and up to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2012		
April	0.290	0.250
May	0.290	0.220
June	0.245	0.203
July	0.240	0.200
August	0.219	0.181
September	0.198	0.171
October	0.220	0.192
November	0.210	0.144
December	0.199	0.162
2013		
January	0.220	0.170
February	0.174	0.155
March	0.178	0.154
April (up to the Latest Practicable Date)	0.180	0.154

APPENDIX II DETAILS OF RETIRING DIRECTORS FOR RE-ELECTION

The details of retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out as follows:

Executive Directors

Mr. Chen Zheng (陳征先生), aged 53, engineer and senior economist. He holds a bachelor's degree in chemical engineering and a master's degree in business administration. Mr. Chen was appointed as an Executive Director of the Company in February 2005 and is currently the Chief Executive Officer of the Company. He is also a member of the Executive Committee of the Company. Mr. Chen was as an executive director of SCG. Mr. Chen has extensive experience in investment business and corporate management.

Save as disclosed above, Mr. Chen has no other relationship with any Directors, senior management or substantial or controlling shareholders of the Company and has not held any directorships in other public companies listed on the Stock Exchange or overseas in the last three years. As at the Latest Practicable Date, Mr. Chen has beneficial interests of 208,728,200 Shares and of 6,470,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Mr. Chen has entered into a service contract with a wholly-owned subsidiary of the Company for a term of three years commencing on 1 January 2011 unless terminated by at least one month's notice in writing served by either party prior to the expiry of the term. Pursuant to the service contract, Mr. Chen is entitled to receive a salary of HK\$3,600,000 per annum and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the By-laws. The salary of Mr. Chen is determined with reference to his experience and duties as well as the then prevailing market conditions. Mr. Chen is also entitled to a discretionary bonus as may be determined by the Remuneration Committee of the Company from time to time with reference to the prevailing market conditions, the performance of the Company as well as his individual performance. Mr. Chen has not received any discretionary bonus for the year ended 31 December 2012.

Save as disclosed above, the Board is not aware of any other matters in relation to Mr. Chen that need to be brought to the attention of the Shareholders and there is no information relating to Mr. Chen that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matters.

Mr. Jin Guo Ping (金國平先生), aged 54, senior economist. He holds a master of business administration degree of China Europe International Business School. Mr. Jin appointed as an Executive Director in February 2006 and currently is the Vice President of the Company. He is also a member of the Executive Committee of the Company. Mr. Jin is an ordinary committee member of China Animation Association. Mr. Jin was a director of Shanghai Animation Film Studio, the chairman of Shanghai Cartoon Cultural Developing Co. Ltd., a publisher of "Cartoon King" Magazine, the vice president of Shanghai Film Group Corporation, the vice chairman of Shanghai United Circuit Co., Ltd, a director of Shanghai Paradise Corporation Ltd., and the assistant director of broadcasting of Shanghai Television. Mr. Jin has extensive experience in animation and film industries. With effect from 21 May 2010, he has been appointed as a member of the Shenzhen Committee of the Chinese People's Political Consultative Conference.

APPENDIX II DETAILS OF RETIRING DIRECTORS FOR RE-ELECTION

Save as disclosed above, Mr. Jin has no other relationship with any Directors, senior management or substantial or controlling shareholders of the Company and has not held any directorships in other public companies listed on the Stock Exchange or overseas in the last three years. As at the Latest Practicable Date, Mr. Jin has beneficial interests of 2,590,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Mr. Jin has entered into a service contract with a wholly-owned subsidiary of the Company for a term of three years commencing on 1 January 2011 unless terminated by at least one month's notice in writing served by either party prior to the expiry of the term. Pursuant to the service contract, Mr. Jin is entitled to receive a salary of HK\$1,200,000 per annum and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. The salary of Mr. Jin is determined with reference to his experience and duties as well as the then prevailing market conditions. Mr. Jin is also entitled to a discretionary bonus as may be determined by the Remuneration Committee of the Company from time to time with reference to the prevailing market conditions, the performance of the Company as well as his individual performance. Mr. Jin has not received any discretionary bonus for the year ended 31 December 2012.

Save as disclosed above, the Board is not aware of any other matters in relation to Mr. Jin that need to be brought to the attention of the Shareholders and there is no information relating to Mr. Jin that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matters.

Independent non-executive Director

Prof. Japhet Sebastian Law (羅文鈺教授), aged 61. Prof. Law was appointed as an Independent non-executive Director of the Company in September 2008 and he is also a chairman of Remunerations Committee of the Company, a member of each of the Audit Committee and the Nomination Committee of the Company. Prof. Law graduated from the University of Texas at Austin with doctor of philosophy in mechanical/industrial engineering in 1976. He joined The Chinese University of Hong Kong in 1986 and retired in August 2012. Before retirement, he was a professor in the Department of Decision Sciences and Managerial Economics. He was the associate dean and subsequently the dean of the Faculty of Business Administration of The Chinese University of Hong Kong from 1993 until 2002. Prior to returning to Hong Kong, Prof. Law was the director of Operations Research at the Cullen College of Engineering and director of Graduate Studies in Industrial Engineering at the University of Houston and was also involved with the U.S. Space Program in his career with McDonnell Douglas and Ford Aerospace in the United States. He acts as consultants for various corporations in Hong Kong and overseas. Prof. Law is active in public services and serves as member of the Provisional Regional Council of the Hong Kong SAR Government and various other committees. He is active on the boards of profit, non-profit, and charitable organisations in Hong Kong and overseas. From July 2003 to February 2006, Prof. Law had also acted as an Independent Non-executive Director of the Company. He currently serves as independent non-executive directors of Tianjin Port Development Holdings Limited, Beijing Capital International Airport Co., Ltd., Binhai Investment Company Limited, Cypress Jade Agricultural Holdings Limited, Regal Hotels International Holdings Limited and Tianjin Binhai Teda Logistics (Group) Corporation Limited, all of which are listed companies in Hong Kong. He was also served as an independent non-executive director of First China Financial Holdings Limited until 1 October 2008.

APPENDIX II DETAILS OF RETIRING DIRECTORS FOR RE-ELECTION

Save as disclosed above, Prof. Law has no other relationship with any Directors, senior management or substantial or controlling shareholders of the Company and has not held any directorships in other public companies listed on the Stock Exchange or overseas in the last three years. As at the Latest Practicable Date, Prof. Law has beneficial interests of 3,000,000 Shares and of 1,290,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Prof. Law has entered into a letter of engagement with the Company for a term of three years commencing on 1 January 2011 unless terminated by at least one month's notice in writing served by either party prior to the expiry of the term. Under the engagement letter, Prof. Law will receive a director's fee as may be determined by the Board from time to time pursuant to the authority given by the Shareholders with reference to his experience and duties as well as the then prevailing market conditions and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. For the year ended 31 December 2012, the director's fee received by Prof. Law amounted to HK\$240,000.

Save as disclosed above, the Board is not aware of any other matters in relation to Prof. Law that need to be brought to the attention of the Shareholders and there is no information relating to Prof. Law that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matters.

Mr. Chan Chung Chun (陳重振先生), aged 53. Mr. Chan was appointed as an independent non-executive Director of the Company in June 2012. He is also a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. He is a fellow member and an associate member of the Hong Kong Institute of Certified Public Accountants and The Australian Society of Certified Practising Accountants respectively. Mr. Chan holds a Bachelor Degree in Commerce from James Cook University of North Queensland and a Master Degree in Commerce from University of New South Wales in Australia. He had worked for the audit department of Ernst & Young for about 7 years and has extensive working experience in accounting and commercial fields, particularly in the manufacturing, marketing and retailing of consumer products in Hong Kong and the PRC. Mr. Chan is currently the deputy chairman and executive director of Sinocop Resources (Holdings) Limited, an independent non-executive director of Shougang Concord Century Holdings Limited and Shougang Fushan Resources Group Limited, both companies are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Save as disclosed above, Mr. Chan has no other relationship with any Directors, senior management or substantial or controlling shareholders of the Company and has not held any directorships in other listed public companies listed on the Stock Exchange or overseas in the last three years. As at the Latest Practicable Date, Mr. Chan does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

APPENDIX II DETAILS OF RETIRING DIRECTORS FOR RE-ELECTION

Mr. Chan has entered into a letter of engagement with the Company for a term commencing from 20 June 2012 to 31 December 2013 unless terminated by at least one month's notice in writing served by either party prior to the expiry of the term. Under the engagement letter, Mr. Chan will receive a director's fee as may be determined by the Board from time to time pursuant to the authority given by the Shareholders with reference to his experience and duties as well as the then prevailing market conditions and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. For the year ended 31 December 2012, the director's fee received by Mr. Chan amounted to HK\$127,333.

Save as disclosed above, the Board is not aware of any other matters in relation to Mr. Chan that need to be brought to the attention of the Shareholders and there is no information relating to Mr. Chan that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or any other matters.

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the Annual General Meeting:

1. PURPOSE

The purpose of the New Share Option Scheme is to motivate Eligible Persons to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executive, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

2. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon:

- (a) the approval by the Shareholders for the adoption of the New Share Option Scheme; and
- (b) the approval of the Stock Exchange for the listing of and permission to deal in the Shares (representing the New Share Option Scheme Mandate Limit) to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms of the New Share Option Scheme.

3. WHO MAY JOIN

Subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time during the life of the New Share Option Scheme to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select. The basis of eligibility shall be determined by the Board from time to time.

4. MAXIMUM NUMBER OF SHARES

The maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the Shares in issue as at the date on which approval is obtained from the Shareholders for the adoption of the New Share Option Scheme provided that:

- (a) The Company may at any time as the Board may think fit seek approval from the Shareholders to refresh the New Share Option Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other schemes of the Company shall not exceed 10% of the Shares in issue as at the date of approval by the Shareholders in general meeting where the New Share Option Scheme Mandate Limit is refreshed;

- (b) The Company may seek separate approval from the Shareholders in general meeting for granting Options beyond the New Share Option Scheme Mandate Limit, provided that the Options in excess of the New Share Option Scheme Mandate Limit are granted only to the Eligible Person specified by the Company before such approval is obtained; and
- (c) The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme, and any other options granted and yet to be exercised under any other scheme of the Company shall not exceed 30% of the Shares in issue from time to time.

The Company confirmed that, save as the Existing Share Option Scheme, it does not have any other scheme as at the Latest Practicable Date.

5. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The upon exercise of the Options granted to any one Eligible Person (including exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his associates abstaining from voting.

6. OFFER AND GRANT OF OPTIONS

Subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time within 10 years after the Effective Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the New Share Option Scheme) determine.

The Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the New Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period when the right to exercise the Option in respect of all or some of the Option Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the New Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no minimum period for which an Option must be held before it can be exercised and there is no performance target which need to be achieved by the grantee before the Option can be exercised.

7. GRANTING OPTIONS TO CONNECTED PERSONS

- (a) Any Options to be granted to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the Options).
- (b) Without prejudice to the generality of the sub-paragraph (a) above, if any Options to be granted to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the total number of Shares issued and to be issued upon exercise of all the Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders by way of a poll. The Company shall send a circular to Shareholders containing the information required under the GEM Listing Rules. All connected persons of the Company must abstain from voting in favour at such general meeting.

8. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

The Board shall not grant any Option under the New Share Option Scheme after inside information has come to the Company's knowledge until such inside information has been announced pursuant to the requirements of the GEM Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period and the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period, and ending on the date of the results announcements.

9. OFFER PERIOD AND NUMBER ACCEPTED

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the Offer Date provided that no such grant of an Option may be accepted after the expiry of the effective period of the New Share Option Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of the Company of HK\$ 1.0 by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date not later than 28 days after the Offer Date. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date not later than 28 days after the Offer Date, it will be deemed to have been irrevocably declined.

10. AMOUNT PAYABLE FOR OPTIONS

The amount payable on acceptance of an Option is HK\$ 1.0.

11. EXERCISE PRICE

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Offer Date.

12. EXERCISE OF OPTION

- (a) An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) within the Option Period in the manner as set out in this New Share Option Scheme by the grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given. Within 30 days after receipt of the notice and, where appropriate, receipt of a certificate from the auditors pursuant to the New Share Option Scheme, the Company shall accordingly allot and issue the relevant number of Shares to the grantee (or his legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or his legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.

- (b) The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company.
- (c) Subject as hereinafter provided:
 - (i) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full), he (or his legal representative(s)) may exercise the Option up to the grantees entitlement (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Board may determine;
 - (ii) in the event that the grantee ceases to be an Executive by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period;
 - (iii) in the event that the grantee ceases to be an Executive by reason of his transfer of employment to a controlling shareholder of the Company or a subsidiary or an associate of a controlling shareholder of the Company, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined;
 - (iv) in the event that the grantee ceases to be an Executive for any reason (including his employing company ceasing to be a member of the Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to an affiliate company or the termination of his employment with the relevant member of the Group by resignation or termination on the ground of misconduct, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

- (v) in the event that the Grantee ceases to be an Executive by reason of the termination of his employment:
 - (1) by resignation, the Option up to the Grantee's entitlement (to the extent not already exercised) shall be exercisable within a period of 3 months following the date of termination of his appointment;
 - (2) by Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date on which the Grantee is notified of the termination of his employment and not be exercisable,

unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the Executive's Option has lapsed shall be final and conclusive;

- (vi) if a Grantee being:
 - (1) an executive Director ceases to be an Executive but remains a non-executive Director, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or
 - (2) a non-executive Director ceases to be a Director:
 - (aa) by reason of Non-Executive Director Retirement, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or
 - (bb) for reasons other than Non-Executive Director Retirement, his Option (to the extent not already exercised) shall be exercisable within a period of 3 months following the date of cessation of such appointment unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

(vii) if:

- (1) the Board in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Person; or
- (2) a Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Option or which were the basis on which the Option was granted,

the Option (to the extent not already exercised) shall lapse on the date on which the Grantee is notified thereof (in the case of (i)) or on the date on which the Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. In the case of (i), a resolution of the Board resolving that the Grantee's Option has lapsed shall be final and conclusive;

(viii) if a Grantee (being a corporation):

- (1) has a liquidator or receiver appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee; or
- (2) has suspended, ceased or threatened to suspend or cease business; or
- (3) is unable to pay its debts; or
- (4) otherwise becomes insolvent; or
- (5) suffers a change in its constitution, management, directors or shareholding which in the opinion of the Board is material; or
- (6) commits a breach of any contract entered into between the Grantee or his Associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date of appointment of the liquidator or receiver or on the date of suspension or cessation of business or on the date when the Grantee is deemed to be unable to pay its debts as aforesaid or on the date of notification by the Company that the said change in constitution, management, directors or shareholding is material or on the date of notification by the Company of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed by reason of breach of contract or material change in the constitution, management, directors or shareholding as aforesaid shall be final and conclusive;

- (ix) if a Grantee (being an individual):
- (1) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable law or has otherwise become insolvent; or
 - (2) has made any arrangement or composition with his creditors generally; or
 - (3) has been convicted of any criminal offence involving his integrity or honesty; or
 - (4) commits a breach of any contract entered into between the Grantee or his associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed for breach of contract as aforesaid shall be final and conclusive;

- (x) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of Shareholders of the Company (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;
- (xi) if a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the grantees who have Options unexercised at the same time as it despatches notices to all Shareholders or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his legal representatives or receiver) may until the expiry of the earlier of:

- (1) the Option Period;
 - (2) the period of two months from the date of such notice; or
 - (3) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his Option.
- (xii) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

13. LIFE OF NEW SHARE OPTION SCHEME

Subject to the terms of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of 10 years from the Effective Date, after which no further options will be offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting Options granted prior to the expiry of the 10-years period or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

14. LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the period referred to paragraphs related to exercise of Option;
- (c) subject to the period mentioned in paragraph headed “Exercise of Option” above, the date of the commencement of the winding-up of the Company;
- (d) there is an unsatisfied judgement, order or award outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts; or

- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in the New Share Option Scheme; or
- (f) a bankruptcy order has been made against any director or shareholder of the grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

15. ADJUSTMENT

In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalisation issue, rights issue, sub-division, consolidation or reduction of the share capital of the Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (a) the maximum number of Shares subject to the New Share Option Scheme; and/or
- (b) the aggregate number of Shares subject to the Option so far as unexercised; and/or
- (c) the subscription price of each outstanding Option.

Where the Board determines that such adjustments are appropriate, the auditors appointed by the Company shall certify in writing to Board that any such adjustments are in their opinion fair and reasonable, provided that:

- (a) any such adjustments shall give the grantee the same proportion of the share capital as that which the grantee was previously entitled before such event;
- (b) no such adjustments shall be made the effect of which would be to enable the Shares to be issued at less than its nominal value;
- (c) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 23 of the GEM Listing Rules and supplementary guidance on the interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time; and
- (d) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

16. CANCELLATION OF OPTIONS NOT EXERCISED

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the "Cancellation Date"):

- (a) the grantee commits or permits or attempts to commit or permit a breach of the restriction on transferability of the Option or any terms or conditions attached to the grant of the Option;
- (b) the grantee makes a written request to the Board for the Option to be cancelled; or
- (c) if the grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or its subsidiary.

The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

17. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws and the laws of Bermuda from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue commencing from (i) the Allotment Date or, (ii) if the Allotment Date falls on a day when the register of members of the Company is closed, the first date of the reopening of the register of members.

Accordingly it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the Allotment Date or, (ii) if that Allotment Date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Allotment Date.

A Share issued upon the exercise of an Option shall not carry rights until the registration of the grantee (or any other person) as the holder thereof.

18. TERMINATION

The Company may by resolution in general meeting at any time terminate the operation of the New Share Option Scheme. Upon termination of the New Share Option Scheme as aforesaid, no further Options shall be offered but the provisions of the New Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the New Share Option Scheme.

19. TRANSFERABILITY

An Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour any third party over or in relation to any Option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee.

20. AMENDMENT

The New Share Option Scheme may be altered in any respect by a resolution of the Board except that following shall not be carried out except with the prior sanction of an ordinary resolution of the Shareholders in general meeting, provided always that the amended terms of the New Share Option Scheme shall comply with the applicable requirements of the GEM Listing Rules: (i) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the New Share Option Scheme); (ii) any alteration to the provisions of the New Share Option Scheme in relation to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of grantee; (iii) any alteration to the aforesaid termination provisions and (iv) any change to the authority of the Directors (or any person or committee delegated by the Board to administer the day-to-day running) in relation to any alteration to the terms of the New Share Option Scheme.

NOTICE OF THE ANNUAL GENERAL MEETING



環球數碼

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)

NOTICE IS HEREBY GIVEN that the annual general meeting of Global Digital Creations Holdings Limited (the “Company”) will be held at The Residence, Mezzanine Floor, Grand Haytt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 June 2013, at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

AS ORDINARY BUSINESS

1. To receive and consider the Company’s audited consolidated financial statements, report of the directors and the independent auditor’s report for the year ended 31 December 2012;
2. To re-elect Mr. Chen Zheng as an executive director of the Company (the “Director”);
3. To re-elect Mr. Jin Guo Ping as an executive Director;
4. To re-elect Prof. Japhet Sebastian Law as an independent non-executive Director;
5. To re-elect Mr. Chan Chung Chun as an independent non-executive Director;
6. To authorise the board of directors of the Company (the “Board”) to fix the remuneration of the directors;
7. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix their remuneration;

AS SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following resolution as ordinary resolution of the Company:

* *For identification purpose only*

NOTICE OF THE ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or any class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any territories outside Hong Kong).”

NOTICE OF THE ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, and that the exercise by the directors of all the powers of the Company to repurchase such shares subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) in addition, the approval in paragraph (a) above shall authorise the directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors;
- (c) the aggregate nominal amount of shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the authority pursuant to paragraph (a) shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF THE ANNUAL GENERAL MEETING

10. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolution no. 9 as set out in the notice convening this meeting of which this resolution forms part, the aggregate nominal amount of the shares in the Company which are repurchased by the Company pursuant to and in accordance with the said resolution no. 9 shall be added to the aggregate nominal amount of the shares in the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to and in accordance with resolution no. 8 as set out in the notice convening this meeting of which this resolution forms part.”

11. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing and permission to deal in the shares (the “**Shares**”) of HK\$0.01 each in the capital of the Company falling to be allotted and issued pursuant to the new share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the full version of the New Share Option Scheme which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted by the Company and the directors of the Company be and are hereby authorized to grant options and to allot, issue and deal in the Shares to the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme; and
- (b) subject to paragraph (a) hereinabove, the existing share option scheme of the Company adopted on 18 July 2003 be and is hereby terminated and (save with respect to any outstanding, issued and unexercised options thereof) with effect from the adoption of the New Share Option Scheme.”

By Order of the Board
Li Shaofeng
Chairman

Hong Kong, 15 April 2013

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

- (1) A shareholder entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
- (3) The register of members of the Company will be closed from Friday, 14 June 2013 to Tuesday, 18 June 2013, both dates inclusive, during which period, no transfer of shares will be registered. In order to qualify for attend and vote at the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m on Thursday, 13 June 2013.
- (4) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be lodged at the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the annual general meeting or any adjourned meeting thereof (as the case may be).
- (5) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (6) Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the above meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.
- (7) As at the date of this notice, the Board comprises Mr. Li Shaofeng (Chairman and Executive Director), Mr. Chen Zheng (Chief Executive Officer and Executive Director), Mr. Jin Guo Ping (Vice President and Executive Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Kwong Che Keung, Gordon (Independent non-executive Director), Prof. Japhet Sebastian Law (Independent non-executive Director) and Mr. Chan Chung Chun (Independent non-executive Director).