
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, 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.

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



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 REFRESHMENTS OF THE COMPANY
SCHEME MANDATE LIMIT AND
THE GDC TECH SCHEME MANDATE LIMIT,
AMENDMENTS TO THE BYE-LAWS
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 registrars 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 or any adjourned meeting (as the case may be) should you so wish.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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.

30 March 2010

* 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	4
2. General mandates to issue Shares and repurchase Shares	5
3. Re-election of retiring Directors	5
4. Refreshments of the Company Scheme Mandate Limit and the GDC Tech Scheme Mandate Limit	6
5. Amendments to the Bye-laws	10
6. Annual General Meeting	10
7. Voting by poll	11
8. Recommendation	11
Appendix I – Explanatory Statement	12
Appendix II – Details of Retiring Directors for Re-election	15
Notice of the Annual General Meeting	18

DEFINITIONS

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

“Act”	the Companies Act 1981 of Bermuda
“Annual General Meeting”	the annual general meeting of the Company to be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 8 June 2010 at 10:30 a.m. or any adjournment thereof
“Board”	the board of Directors
“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
“Company Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Share Option Scheme and such other schemes of the Company which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of the approval of the Share Option Scheme by the Shareholders and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“connected person”	has the same meaning as ascribed to it under the GEM Listing Rules
“controlling shareholder”	has the same meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GDC Tech”	GDC Technology Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect non-wholly owned subsidiary of the Company
“GDC Tech Group”	GDC Tech and its subsidiaries

DEFINITIONS

“GDC Tech Option(s)”	the option(s) granted to eligible participants to subscribe for GDC Tech Share(s) under the GDC Tech Share Option Scheme
“GDC Tech Scheme Mandate Limit”	the maximum number of GDC Tech Shares which may be issued upon the exercise of all the GDC Tech Options to be granted under the GDC Tech Share Option Scheme and such other schemes of GDC Tech which initially shall not in aggregate exceed 10% of the GDC Tech Shares in issue as at the date of the approval of the GDC Tech Share Option Scheme by the Shareholders and the shareholders of SCG respectively and thereafter, if refreshed shall not exceed 10% of the GDC Tech Shares in issue as at the date of approval of the refreshed limit by the Shareholders and the shareholders of SCG respectively
“GDC Tech Share(s)”	ordinary shares of HK\$0.10 each in the share capital of GDC Tech
“GDC Tech Share Option Scheme”	the share option scheme of GDC Tech adopted by the Shareholders and the shareholders of SCG respectively on 19 September 2006
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries, including the GDC Tech Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	23 March 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Option(s)”	the option(s) granted to eligible participants to subscribe for Shares under the 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

DEFINITIONS

“SCG”	Shougang Concord Grand (Group) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“SFO”	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
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 18 July 2003
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED

環球數碼創意控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8271)

Executive Directors:

Mr. Cao Zhong (*Chairman*)

Mr. Chen Zheng (*Managing Director*)

Mr. Jin Guo Ping (*Deputy Managing Director*)

Non-executive Director:

Mr. Leung Shun Sang, Tony

Independent Non-executive Directors:

Mr. Kwong Che Keung, Gordon

Mr. Hui Hung, Stephen

Prof. Japhet Sebastian Law

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal Place of

Business in Hong Kong:

Rooms 1101-4, 11th Floor

Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

30 March 2010

To the Shareholders,

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED REFRESHMENTS OF THE COMPANY
SCHEME MANDATE LIMIT AND
THE GDC TECH SCHEME MANDATE LIMIT,
AMENDMENTS TO THE BYE-LAWS
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; (iii) refreshment of the Company Scheme Mandate Limit and the GDC Tech Scheme Mandate Limit; and (iv) amendments to the Bye-laws. 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 1 June 2009, ordinary resolutions were passed by the Shareholders giving general mandates to the Directors to exercise the power of the Company to repurchase its own Shares in accordance with all applicable laws and the requirements of the GEM Listing Rules and to allot, issue and deal with Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company, at the date of passing of the resolutions. These mandates will lapse 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 1,295,245,540 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 259,049,108 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 lapse on the earlier 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 law to be held; and (iii) the revocation or variation of the ordinary resolution to approve the mandate to issue Shares by any ordinary resolution of the Shareholders in general meeting.

An explanatory statement, required by the GEM Listing Rules to be sent to Shareholders in connection with the Repurchase Mandate, is set out in the Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable 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 Bye-laws, Mr. Cao Zhong, Mr. Leung Shun Sang, Tony and Mr. Hui Hung, Stephen will retire from office by rotation, and being eligible, offer themselves for re-election at the Annual General Meeting. Details of retiring Directors to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. REFRESHMENTS OF THE COMPANY SCHEME MANDATE LIMIT AND THE GDC TECH SCHEME MANDATE LIMIT

A. Refreshment of the Company Scheme Mandate Limit

The Company adopted the Share Option Scheme on 18 July 2003. Under the rules of the Share Option Scheme:

1. the number of shares subject to Options that may be granted must not exceed 78,000,000 Shares, being 10% of the total number of 780,000,000 Shares in issue on the date of listing of the Shares on GEM on 4 August 2003;
2. the Company may refresh the Company Scheme Mandate Limit at any time subject to prior shareholders' approval. However, the Company Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of the aforesaid shareholders' approval. Options previously granted under the Share Option Scheme and other share option schemes (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted for the Company Share Options purpose of calculating the Company Scheme Mandate Limit as refreshed. A circular must be sent to Shareholders in connection with the meeting at which their approval will be sought;
3. the Company may seek separate approval of the Shareholders in general meeting to grant Options beyond the Company Scheme Mandate Limit to participants specifically identified by the Company before the aforesaid shareholders' meeting where such approval is sought; and
4. the overall limit on the number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme must not in aggregate exceed 30% of the Shares in issue from time to time.

On the annual general meeting of the Company held on 6 June 2007, the Shareholders refreshed the Company Scheme Mandate Limit to 119,979,550 Shares, being 10% of 1,199,795,500 Shares in issue on 6 June 2007.

As at the Latest Practicable Date, Options to subscribe for 38,070,000 Shares have been granted under the Share Option Scheme after the last refreshment of the Company Scheme Mandate Limit on 6 June 2007, out of which 9,267,000 Options have lapsed, nil have been exercised and Options to subscribe for 28,803,000 Shares remained outstanding. Unless the Company Scheme Mandate Limit is "refreshed" at the Annual General Meeting, only up to 81,909,550 further Options may be issued under the Share Option Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has issued share capital of HK\$12,952,455.40 divided into 1,295,245,540 Shares of HK\$0.01 each. Subject to the passing of an ordinary resolution approving the proposed refreshment of the Company Scheme Mandate Limit and on the basis that no further Shares will be issued or allotted by the Company and no Shares will be repurchased after the Latest Practicable Date and prior to the Annual General Meeting, the proposed refreshment of the Company Scheme Mandate Limit will enable the Company to grant Options to subscribe for up to a maximum of 129,524,554 Shares, representing 10% of the total number of Shares in issue, to eligible participants, being any full-time employee, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above, of the Group and any advisors (professionals or otherwise) or consultants, distributors, suppliers, agents, customers, joint venture partners, service providers to the Group who the Board considers, in the sole discretion of the Board, have contributed or contribute to the Group

Pursuant to the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded. The Shares which may fall to be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme represent 28,803,000 Shares or approximately 2.22% of the total number of Shares in issue as at the Latest Practicable Date. The total of the maximum number of Shares that can be issued pursuant to the grant of Options by the Company under the Share Option Scheme and all other schemes as refreshed by the proposed refreshment of the Company Scheme Mandate Limit of 129,524,554 Shares and the outstanding Options of 28,803,000 Shares is 158,327,554 Shares, representing approximately 12.22% of the issued share capital of the Company as at the Latest Practicable Date.

As the Latest Practicable Date, 15,680,000 Options under the Share Option Scheme have been granted to the Directors and 13,123,000 Options under the Share Option Scheme have been granted to employees and other participants of the Group. No Options have been granted to any participant exceeding 1% of the total issued share capital of the Company during the past 12 months. Each grant of option under the Share Option Scheme has complied with the requirements as set out in the GEM Listing Rules.

The Directors consider that the refreshment of the Company Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate the Group's employees and other participants under the Share Option Scheme. The refreshment of the Company Scheme Mandate Limit is in line with purpose of the Share Option Scheme.

The proposed refreshment of the Company Scheme Mandate Limit, if approved at the Annual General Meeting, will be in compliance with GEM Rule 23.03.

LETTER FROM THE BOARD

As required by the Share Option Scheme and the GEM Listing Rules, the proposed refreshment of the Company Scheme Mandate Limit is conditional upon; (a) the passing of an ordinary resolution by the Shareholders to approve the refreshment of the Company Scheme Mandate Limit such that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and all other share option scheme(s) of the Company must not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshment; and (b) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of Options granted under the Company Scheme Mandate Limit as refreshed.

Application will be made to the Stock Exchange for granting the approval of the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of Options to be granted under the refreshed Company Scheme Mandate Limit.

An ordinary resolution, as special business, will be proposed at the Annual General Meeting to approve the refreshment of the existing Company Scheme Mandate Limit in the terms as set out in Resolution No. 7 of the Notice of the Annual General Meeting.

B. Refreshment of the GDC Tech Scheme Mandate Limit

The Shareholders and the shareholders of SCG respectively approved the adoption of the GDC Tech Share Option Scheme on 19 September 2006. At the time of adoption of the GDC Tech Share Option Scheme, the maximum number of GDC Tech Shares which may be issued upon exercise of all GDC Tech Options to be granted under the GDC Tech Share Option Scheme was 10,666,666 GDC Tech Shares, being 10% of 106,666,667 GDC Tech Shares in issue on 19 September 2006.

At the annual general meeting of the Company and SCG held on 6 June 2007, the respective shareholders refreshed the GDC Tech Scheme Mandate Limit to 16,118,024 Shares, being 10% of 161,180,240 GDC Tech Shares in issue on 6 June 2007.

As at the Latest Practicable Date, GDC Tech Options to subscribe for 7,095,000 GDC Tech Shares have been granted under the GDC Tech Share Option Scheme after the last refreshment of the GDC Tech Scheme Mandate Limit on 6 June 2007 (not taking into account the 12,000,000 GDC Tech Options which were granted to Ms. Lu Yi, an ex-Director pursuant to a specific mandate approved by the respective shareholders on a special general meeting of the Company and SCG held on 30 October 2007, which GDC Tech Options have lapsed as of the Latest Practicable Date), out of which 165,000 GDC Tech Options have lapsed, nil GDC Tech Options have been exercised and 6,930,000 GDC Tech Share Options remained outstanding. Unless the 10% general limit on grant of GDC Tech Options under the GDC Tech Share Option Scheme and all other share option scheme(s) of GDC Tech is “refreshed” at the Annual General Meeting and the forthcoming annual general meeting of SCG, only up to 9,023,024 further GDC Tech Options may be issued under the GDC Tech Share Option Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, GDC Tech has issued share capital of HK\$23,304,509.20 divided into 233,045,092 GDC Tech Shares of HK\$0.10 each. Subject to the passing of an ordinary resolution approving the proposed refreshment of the GDC Tech Scheme Mandate Limit and on the basis that no further GDC Tech Shares will be issued or allotted by GDC Tech and no GDC Tech Shares will be repurchased after the Latest Practicable Date and prior to the Annual General Meeting, the proposed refreshment of the GDC Tech Scheme Mandate Limit will enable GDC Tech to grant GDC Tech Options to subscribe for up to a maximum of 23,304,509 Shares, representing 10% of the total number of GDC Tech Shares in issue, to eligible participants, being any full-time or part-time employee, executives or officers, directors (including non-executive directors and independent non-executive directors) of the GDC Tech Group and any advisers, consultants, suppliers, customers and agent of the GDC Tech Group and such other persons who, in the sole discretion of directors of GDC Tech, will contribute or have contributed to the GDC Tech Group.

As the Latest Practicable Date, 5,280,000 GDC Tech Options under the GDC Tech Share Option Scheme have been granted to the Directors and 1,650,000 GDC Tech Options under the GDC Tech Share Option Scheme have been granted to the employees. No GDC Tech Options have been granted to any participant exceeding 1% of the total issued share capital of GDC Tech during the past 12 months. Each grant of option under the GDC Tech Share Option Scheme has complied with the requirements as set out in the GEM Listing Rules.

The maximum number of GDC Tech Shares that can be issued pursuant to (i) any grant of GDC Tech Options under the GDC Tech Share Option Scheme and all other schemes as refreshed by the proposed refreshment of the GDC Tech Scheme Mandate Limit of 23,304,509 GDC Tech Shares; and (ii) the exercise of the outstanding GDC Tech Options of 6,930,000 GDC Tech Shares, is 30,234,509 GDC Tech Shares, representing approximately 12.97% of the issued share capital of GDC Tech as at the Latest Practicable Date.

The Directors consider that the refreshment of the GDC Tech Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole because it enables GDC Tech to reward and motivate the GDC Tech Group's employees and other participants under the GDC Tech Share Option Scheme. The refreshment of the GDC Tech Scheme Mandate Limit is in line with purpose of the GDC Tech Share Option Scheme.

The proposed refreshment of the GDC Tech Scheme Mandate Limit, if approved at the Annual General Meeting, will be in compliance with GEM Rule 23.03.

As required by the GDC Tech Share Option Scheme and the GEM Listing Rules, the proposed refreshment of the GDC Tech Scheme Mandate Limit is conditional upon the passing of an ordinary resolution by the shareholders of the Company and SCG in general meeting to approve the refreshment of the GDC Tech Scheme Mandate Limit respectively such that the total number of Shares which may be issued upon exercise of all GDC Tech Options to be granted under the GDC Tech Share Option Scheme and all other share option scheme(s) of GDC Tech must not exceed 10% of the total number of GDC Tech Shares in issue as at the date of approval of the refreshment.

LETTER FROM THE BOARD

An ordinary resolution, as special business, will be proposed at the Annual General Meeting to approve the refreshment of the existing GDC Tech Scheme Mandate Limit in the terms as set out in Resolution No. 8 of the Notice of Annual General Meeting.

5. AMENDMENTS TO THE BYE-LAWS

Since the last amendments of the Bye-laws approved at the annual general meeting on 6 June 2007, there were certain changes to the GEM Listing Rules and the Act. In order to bring the Bye-laws up to date and in line with the provisions of the GEM Listing Rules and the Act and to deal with other administrative changes to the Bye-laws, a special resolution will be proposed at the Annual General Meeting to amend certain provisions of the Bye-laws. The major effect of the proposed amendments to the Bye-laws are:

- (i) the notice period for annual general meeting of the Company will be changed from “not less than twenty one clear days” to “not less than twenty one clear days and not less than twenty clear business days”;
- (ii) the notice period for special general meeting of the Company will be changed from “not less than fourteen clear days” to “not less than fourteen clear days and not less than ten clear business days”;
- (iii) all resolutions on annual general meeting and special general meeting of the Company will be voted by poll; and
- (iv) the specific requirements to elect chairman and vice-chairman or president and vice-president will be removed so that the Board can appoint officers with appropriate title and duties as it deems fit.

Please refer to Resolution No. 9 in the Notice of the Annual General Meeting for the full text of the proposed amendments to the Bye-laws.

6. ANNUAL GENERAL MEETING

Set out on pages 18 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, refreshment of the Company Scheme Mandate Limit, refreshment of the GDC Tech Scheme Mandate Limit and amendments to the Bye-laws.

LETTER FROM THE BOARD

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 registrars 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.

7. 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.

8. 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; (iii) refreshment of the Company Scheme Mandate Limit; (iv) refreshment of the GDC Tech Scheme Mandate Limit; and (v) amendments to the Bye-laws 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
Cao Zhong
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 account.

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 1,295,245,540 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 129,524,554 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 applicable laws of Bermuda to be held, or when revoked or varied by an ordinary resolution of 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 2009. 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 has any present intention, in the event that the Repurchase Mandate is approved by Shareholders to sell 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 52.57% 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 58.41%. 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>
2009		
March	0.160	0.123
April	0.195	0.130
May	0.365	0.186
June	0.390	0.260
July	0.340	0.255
August	0.295	0.249
September	0.280	0.250
October	0.240	0.181
November	0.300	0.188
December	0.300	0.240
2010		
January	0.445	0.243
February	0.440	0.320
March (up to the Latest Practicable Date)	0.425	0.350

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 Director

Mr. Cao Zhong (曹忠先生), aged 50. Mr. Cao was graduated from Zhejiang University, the People's Republic of China and Graduate School, The Chinese Academy of Social Sciences with a bachelor degree in engineering and a master degree in economics. Mr. Cao was appointed the Joint Chairman of the Company in February 2005 and is currently the Chairman of the Company. He is also the Chairman of each of the Executive Committee and the Nomination Committee of the Company and the Vice Chairman of the Remuneration Committee of the Company. He was appointed the vice chairman of SCG, a substantial shareholder of the Company within the meaning of Part XV of SFO, in November 2001 and has acted concurrently as the managing director of SCG since February 2006. Mr. Cao was also appointed the deputy chairman and general manager of Shougang Holding (Hong Kong) Limited ("Shougang Holding"), a substantial shareholder of the Company within the meaning of Part XV of the SFO, the managing director of Shougang Concord International Enterprises Company Limited ("Shougang International"), the chairman of each of Shougang Concord Technology Holdings Limited ("Shougang Technology") and Shougang Concord Century Holdings Limited ("Shougang Century") in November 2001. Mr. Cao was appointed a director of Mount Gibson Iron Limited, a company listed on the Australian Securities Exchange in December 2008. He was also appointed as a chairman and an executive director of Fushan International Energy Group Limited ("Fushan") in March 2009 and re-designated as a vice-chairman and managing director in January 2010. From May 2007 to October 2009, he was also appointed an executive director of APAC Resources Limited ("APAC") and was re-designated as the chairman of APAC. He is also a director of each of Wheeling Holdings Limited and Upper Nice Assets Ltd. ("Upper Nice"), both are substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr. Cao acts as the assistant general manager of Shougang Corporation, the ultimate holding company of Shougang Holding, and the chairman of China Shougang International Trade and Engineering Corporation. He has extensive experience in corporate management and operation.

Save as disclosed above, Mr. Cao 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 in the last three years. As at the Latest Practicable Date, Mr. Cao has beneficial interests of 26,942,200 Shares and of 4,900,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Mr. Cao has entered into a service contract with a wholly-owned subsidiary of the Company for a term of three years commencing on 1 January 2008 unless terminated by at least one month's notice in writing served by either party prior to the expiry of the term. Under the service contract, Mr. Cao is entitled to receive a salary of HK\$1,800,000 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. Cao is determined with reference to his experience and duties as well as the then prevailing market conditions. Mr. Cao 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. For the year ended 31 December 2009, Mr. Cao waived his annual salary and other benefits of HK\$1,812,000, but received a discretionary bonus of HK\$1,800,000.

APPENDIX II DETAILS OF RETIRING DIRECTORS FOR RE-ELECTION

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

Non-executive Director

Mr. Leung Shun Sang, Tony (梁順生先生), aged 67. Mr. Leung was appointed a Non-executive Director of the Company in December 2005. He is also the Chairman of the Remuneration Committee of the Company and the Vice Chairman of the Nomination Committee of the Company. Mr. Leung is a non-executive director of each of SCG, Shougang International, Shougang Technology, Shougang Century and Fushan. Mr. Leung is the managing director of CEF Group. He holds a master degree in business administration from New York State University and has over 30 years of experience in finance, investment and corporate management.

Save as disclosed above, Mr. Leung 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 in the last three years. As at the Latest Practicable Date, Mr. Leung has beneficial interests of 20,008,200 Shares and of 4,900,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Mr. Leung has entered into a letter of engagement with the Company for a term of three years commencing on 1 January 2008 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. Leung 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 2009, the director's fee received by Mr. Leung amounted to approximately HK\$190,000.

Save as disclosed above, the Board is not aware of any matters in relation to Mr. Leung that need to be brought to the attention of the Shareholders and there is no information relating to Mr. Leung 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

Mr. Hui Hung, Stephen (許洪先生), aged 52. Mr. Hui was appointed an Independent non-executive Director of the Company in February 2006. He is also a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. He was also an independent non-executive director of each of Shougang Century and SCG. Mr. Hui is the managing director of Federal Glory International Limited and Eastern Gain International Limited. Prior to joining the Company, he had been the manager of the China Division of the Far East Regional Office of the Bank of Credit and Commerce International in Hong Kong and an independent non-executive director of each of The Quaypoint Corporation Limited and Haywood Investments Limited (now known as Mastermind Capital Limited), both are listed companies in Hong Kong. Mr. Hui graduated from Middlesex University in the United Kingdom in 1982 with a bachelor of arts degree in economics and geography and has been conferred a master of business administration by the Barrington University of the United States in 2001. He has extensive experience in banking, investment and financing investment in Mainland China.

Save as disclosed above, Mr. Hui 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 in the last three years. As at the Latest Practicable Date, Mr. Hui has beneficial interests of 800,820 Shares and of 490,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Mr. Hui has entered into a letter of engagement with the Company for a term of three years commencing on 1 January 2008 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. Hui 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 2009, the director's fee received by Mr. Hui amounted to HK\$240,000.

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

NOTICE OF THE ANNUAL GENERAL MEETING



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 JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 8 June 2010, at 10:30 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 2009;
2. To re-elect retiring directors and to authorise the board of directors of the Company (the “Board”) to fix the remuneration of the directors;
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix his remuneration.

AS SPECIAL BUSINESS

4. To consider and, if though fit, pass the following resolutions as ordinary resolutions of the Company:

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 it is hereby generally and unconditionally approved;

* *For identification purpose only*

NOTICE OF THE ANNUAL GENERAL MEETING

- (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) “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 law to be held; and
 - (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

5. 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 it 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 earlier 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 law to be held; and
- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.

6. 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. 5 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. 5 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. 4 as set out in the notice convening this meeting of which this resolution forms part.”

NOTICE OF THE ANNUAL GENERAL MEETING

7. To consider and if thought fit, pass with or without any amendments, the following resolution as an ordinary resolution:

“THAT the maximum number of options (the “Company Scheme Mandate Limit”) for shares of HK\$0.01 each in the capital the Company (each a “Share”) which could be granted pursuant to the share option scheme of the Company adopted on 18 July 2003 (the “Share Option Scheme”) be refreshed provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of Shares in issue at the date of approval of such refreshment of the Company Scheme Mandate Limit.”

8. To consider and if thought fit, pass with or without any amendments, the following resolution as an ordinary resolution:

“THAT the maximum number of options (“GDC Tech Scheme Mandate Limit”) for shares of HK\$0.10 each in the capital of GDC Technology Limited (“GDC Tech”), an indirect non-wholly owned subsidiary of the Company, which could be granted pursuant to share indirect option scheme of GDC Tech approved by the shareholders of the Company and Shougang Concord Grand (Group) Limited for adoption on 19 September 2006 respectively (the “GDC Tech Share Option Scheme”) be refreshed provided that the total number of shares of HK\$0.10 each in the capital of the GDC Tech (each a “**GDC Tech Share**”) which may be issued upon the exercise of all options to be granted under the GDC Tech Share Option Scheme and any other share option scheme of GDC Tech must not exceed 10% of the GDC Tech Shares in issue at the date of approval of such refreshment of the GDC Tech Scheme Mandate Limit.”

SPECIAL RESOLUTION

AS SPECIAL BUSINESS

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

“THAT the bye-laws of the Company (the “Bye-laws”) be amended in the following manner:

(a) Bye-law 1

by inserting a definition of “business day” immediately after the definition of ““Board” or “Directors””, as follows:

NOTICE OF THE ANNUAL GENERAL MEETING

““business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-laws be counted as a business day.”;

(b) Bye-law 2(h)

by deleting the existing Bye-law 2(h), which reads:

“a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorized representative or, where proxies are allowed, by proxy at a general meeting of which not less than twenty-one (21) clear days’ Notice, specifying (without prejudice to the passing of the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days’ Notice has been given;”

in its entirety and substituting therewith the following:

“a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;”;

(c) Bye-law 2(i)

by deleting the existing Bye-law 2(i), which reads:

“a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than fourteen (14) clear days’ Notice has been duly given;”

NOTICE OF THE ANNUAL GENERAL MEETING

in its entirety and substituting therewith the following:

“a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;”;

(d) Bye-law 4(b)

by inserting the words “smaller or” between the words “shares of” and “larger amount” in the existing Bye-law 4(b), so that Bye-law 4(b), as amended, would read:

“consolidate and divide all or any of its capital into shares of smaller or larger amount than its existing shares;”;

(e) Bye-law 10

- (i) by inserting the word “and” at the end of the existing Bye-law 10(a);
- (ii) by deleting the words “on a poll” immediately after “every holder of shares of the class shall be entitled” in the existing Bye-law 10(b);
- (iii) by replacing the semi-colon and the word “and” at the end of the Bye-law 10(b) with a full-stop; and
- (iv) by deleting the existing Bye-law 10(c) in its entirety,

so that Bye-law 10, as amended, will read:

“Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

NOTICE OF THE ANNUAL GENERAL MEETING

- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person (or in the case of a Member being a corporation, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum; and
- (b) every holder of shares of the class shall be entitled to one vote for every such share held by him.”;

(f) Bye-law 23

by inserting the words “or winding-up to the shares” immediately at the end of the existing Bye-law 23, so that such sentence as amended will read:

“Subject to these Bye-laws, the Company may sell in such manner as the Board determined any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfillment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the shares or the person entitled thereto by reason of this death, or bankruptcy or winding-up to the shares.”;

(g) Bye-law 42

by inserting a new Bye-law 42A immediately after the existing Bye-law 42:

“In the event of a forfeiture of shares the Member whose shares are forfeited shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited and in any event the certificates representing shares so forfeited shall be void and of no further effect.”;

(h) Bye-law 50

by adding the following phrase towards the end of the existing Bye-law 50:

“and, except where the subject share is not a fully paid share, the reason(s) for such refusal”

NOTICE OF THE ANNUAL GENERAL MEETING

so that Bye-law 50, as amended, will read:

“If the Board refuses to register a transfer of any share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal and, except where the subject share is not a fully paid share, the reason(s) for such refusal.”;

(i) Bye-law 59(1)

by deleting the first paragraph in the existing Bye-law 59(1), which reads:

“An annual general meeting and any special general meeting at which the passing of a special resolution is to be considered shall be called by not less than twenty one (21) clear days’ Notice. All other special general meetings may be called by not less than fourteen (14) clear days’ Notice but a general meeting may be called by shorter notice if it is so agreed:”

and substituting therefor the following:

“An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed.”,

so that Bye-law 59(1), as amended, will read:

“An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued share giving that right.”;

NOTICE OF THE ANNUAL GENERAL MEETING

(j) Bye-law 61(1)

by inserting the words “or delegation of power to the Directors to fix” immediately after the words “the fixing of” on the sixth line and by inserting the words “or delegation of power to the Directors to fix” immediately after the words “the voting of” on the seventh line, so that Bye-law 61(1), as amended, will read:

“All business shall be deemed special that it is transacted at a special general meeting, and also all business that it transacted at an annual general meeting, with the exception of sanction dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of or delegation of power to the Directors to fix the remuneration of the Auditors, and the voting of or delegation of power to the Directors to fix the remuneration or extra remuneration to the Directors.”;

(k) Bye-law 66

by deleting the existing Bye-law 66, which reads:

“Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person or (being a corporation, is present by a representative dully authorized under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or

NOTICE OF THE ANNUAL GENERAL MEETING

- (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorized representative shall be deemed to be the same as a demand by a Member.”

in its entirety and substituting therewith the following:

“Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”;

(l) Bye-law 67

by deleting the existing Bye-law 67, which reads:

“Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution. ”

in its entirety and substituting therewith the words “Intentionally deleted”;

NOTICE OF THE ANNUAL GENERAL MEETING

(m) Bye-law 68

by deleting the existing Bye-law 68, which reads:

“If a poll is dully demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

in its entirety and substituting therewith the following:

“The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”;

(n) Bye-law 69

by deleting the existing Bye-law 69, which reads:

“A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.”

in its entirety and substituting therewith the words “Intentionally deleted”;

(o) Bye-law 70

by deleting the existing Bye-law 70, which reads:

“The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.”

in its entirety and substituting therewith the following “Intentionally deleted”;

NOTICE OF THE ANNUAL GENERAL MEETING

(p) Bye-law 73

by deleting the words “, whether on a show of hands or on a poll” immediately after the words “In the case of an equality of votes” in the first sentence on the first line, so that such sentence, as amended will read:

“In the case of an equity of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.”;

(q) Bye-law 75(1)

- (i) by deleting the words “, whether on a show of hands or on a poll,” immediately after the words “A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote” on the fourth line; and
- (ii) by deleting the words “or poll” immediately after the words “provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting” on the eleventh line,

so that Bye-law 75(1), as amended, will read:

“A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meeting, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.”;

NOTICE OF THE ANNUAL GENERAL MEETING

(r) Bye-law 76(2)

by inserting the words “the Company has knowledge that” immediately after the word “Where” at the beginning of the Bye-law 76(2), so that such sentence as amended will read:

“Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”;

(s) Bye-law 80

by deleting the words “or on a poll demanded at a meeting” immediately after the words “No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting” on the twelfth line, so that Bye-law 80, as amended, will read:

“The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place if so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”;

(t) Bye-law 82

by deleting the words “or the taking of the poll” immediately after the words “the meeting or adjourned meeting” on the seventh line of the existing Bye-law 82, so that Bye-law 82, as amended, will read:

NOTICE OF THE ANNUAL GENERAL MEETING

“A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, at which the instrument of proxy is used.”;

(u) Bye-law 84(2)

by deleting the words “including the right to vote individually on a show of hands” at the end of the existing Bye-law 84(2), so that Bye-law 84(2), as amended, will read:

“Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is authorized. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominees(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation.”;

(v) Bye-law 103(1)(iii)

by adding the following words at the end of the existing Bye-law 103(1)(iii):

“and/or for the purposes of making any representations, the giving of any covenants, undertakings or warranties or assuming any other obligations in connection with such offer;”

in its entirety and substituting therefor the following:

“any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub underwriting of the offer and/or for the purposes of making any representations, the giving of any covenants, undertakings or warranties or assuming any other obligations in connection with such offer;”

NOTICE OF THE ANNUAL GENERAL MEETING

(w) Bye-law 127(1)

by deleting the existing Bye-law 127(1), which reads:

“The officers of the Company shall consist of a president and vice-president or chairman and deputy chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Bye laws.”

in its entirety and substituting therewith the following:

“The officers of the Company shall consist of the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and, subject to Bye-law 128(4), these Bye laws.”

(x) Bye-law 127(2)

by deleting the existing Bye-law 127(2), which reads:

“The Directors shall, as soon as may be after each appointment or election or Directors, elect amongst the Directors a president and a vice-president or a chairman and a deputy chairman; and if more than one (1) Director is proposed for either of these offices, the election to such office shall take place in such manner as the Directors may determine.”

in its entirety and substituting therewith the following:

“The Directors shall, as soon as may be after each appointment or election or Directors, elect amongst the Directors a chairman or a president and such additional officers; and if more than one (1) Director is proposed for either of these offices, the election to such office shall take place in such manner as the Directors may determine.”

NOTICE OF THE ANNUAL GENERAL MEETING

(y) Bye-law 159

by deleting the words “as soon as practicable convene a special general meeting to” immediately after the words “the Directors shall” on the third line, so that Bye-law 159, as amended, will read:

“If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.”

By Order of the Board
Chiu Ming Kin
Company Secretary

Hong Kong, 30 March 2010

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 needs 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 Thursday, 3 June 2010 to Tuesday, 8 June 2010, 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 registrars 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 pm on Wednesday, 2 June 2010.
- (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 registrars 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

NOTICE OF THE ANNUAL GENERAL MEETING

- (7) With respect to Resolution 2 above, Mr. Cao Zhong, Mr. Leung Shun Sang, Tony and Mr. Hui Hung, Stephen will retire from office at the above meeting pursuant to the bye-laws and, being eligible, offer themselves for re-election at the annual general meeting.
- (8) As at the date of this announcement, the Board comprises Mr. Cao Zhong (Chairman and Executive Director), Mr. Chen Zheng (Managing Director and Executive Director), Mr. Jin Guo Ping (Deputy Managing Director and Executive Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Kwong Che Keung, Gordon (Independent non-executive Director), Mr. Hui Hung, Stephen (Independent non-executive Director) and Prof. Japhet Sebastian Law (Independent non-executive Director).