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GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED

環球數碼創意控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8271)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of the members of Global Digital Creations Holdings Limited (the “Company”) will be held at Block B, Yuehaimen Square, 2292-2300 Nanyou Avenue, Shenzhen, the People’s Republic of China (please see *Note* below regarding transport arrangement provided by the Company) on 20 April 2004 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2003;
2. To re-elect Directors and to authorise the board of directors (“Board”) to fix the Directors’ remuneration;
3. To re-appoint auditors and authorise the Board to fix their remuneration;
4. As special business to consider and, if thought fit, pass the following resolutions with or without modifications, as Ordinary Resolutions and Special Resolution:

ORDINARY RESOLUTIONS

(1) “THAT

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase ordinary shares in the capital of the Company on the

Note: Shareholders of the Company (“Shareholders”) are cordially invited to travel to the venue for the AGM in Shenzhen and back to Hong Kong on coach services provided free-of-charge by the Company. Shareholders will have the opportunity to view the latest progress made on the movie *Thru the Moebius Strip* after the AGM. Interested Shareholders may contact Ms. Carman Ng of the Company at +852 3102 2226 during normal office hours or at carman.ng@gdc-tech.com before 4:00 p.m. on 19 April 2004 for reservation and further details.

** For identification purposes only*

Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognized by The Securities and Futures Commission of Hong Kong (“Securities and Futures Commission”) and the Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Securities and Futures Commission and the Exchange or any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;

- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose 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 revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meetings; or
 - (iii) 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 of Bermuda to be held.”;

(2) **“THAT**

- (a) subject to the following provisions of this Resolution and pursuant to the Rules Governing the Listing of Securities on the GEM of the Exchange, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers during or 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) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a rights issue where shares are

offered to shareholders of the Company or any class thereof on a fixed record date in proportion to their then holdings of shares or any class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong); or (ii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to eligible participants thereunder or rights to acquire shares in the capital of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company in force from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

(d) for the purpose 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 revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meetings; or
- (iii) 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 of Bermuda to be held.”;

(3) **“THAT** conditional upon Resolution 4(2) above being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with shares and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company since the granting of a general mandate to the Directors to exercise the powers of the Company to purchase such shares, provided that such amount shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”.

SPECIAL RESOLUTION

(4) **“THAT** the Bye-laws of the Company be and hereby are amended as follows:

- a. by deleting the existing definition of “clearing house” in bye-law 1 and inserting the following new definitions in bye-law 1:

“associate”	the meaning attributed to it in the rules of the Designated Stock Exchange.
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“clearing house” a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

- b. by re-numbering the existing bye-law 76 as bye-law 76(1) and by inserting the following new bye-law 76(2):

“(2) Where 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.”

- c. by substituting, in the bye-law 86(4), the words “special resolution” for the words “ordinary resolution” appearing on the second line;

- d. by substituting the existing bye-law 88 with the following new bye-law 88:

“88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

- e. by substituting the existing bye-law 103 with the following new bye-law 103:

“103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) 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;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and/or his associate(s) is/are beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or
- (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.

- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/their interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”

f. by deleting bye-law 104(2) in its entirety and replacing it with the following:

“(2) Subject to bye-law 104(4), any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.”

g. by inserting the following new bye-law 104(4):

“(4) Neither the Company nor any of its subsidiaries shall enter into a transaction involving a consideration of HK\$1,000,000 or more unless the same has been approved by a resolution of Directors or a duly authorised committee of the Directors.””

By Order of the Board
Amelia Mak Lai Yu
Company Secretary

Hong Kong, 26 March 2004

Notes:

1. A Shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and on a poll, vote in his stead at the AGM that the appointment shall specify the number and class of shares in respect of which such proxy is so appointed. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of authority, must be lodged with the Company's branch share registrar in Hong Kong, Standard Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
3. Explanatory statements setting out further information regarding Resolutions 4 to 6 above will be dispatched to the Shareholders, together with the Annual Report 2003.

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

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at www.gdc-world.com.