
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

This circular for which the directors (the “Directors”) of Global Digital Creations Holdings Limited collectively and individually accept full responsibility, including particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

If you are in any doubt as to the aspect of this circular or as to the action to be taken, you should immediately 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 the Company, you should at once hand this circular 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 transferee.



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)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES RE-ELECTION OF DIRECTORS CHANGE OF AUDITORS AND AUTHORISATION GRANTED TO DIRECTORS FOR APPOINTMENT OF ADDITIONAL DIRECTORS

A notice convening an annual general meeting of the Company to be held at 33/F Sonata Gemini & Libra Room, Rosedale on the Park • Hong Kong, 8 Shelter Street, Causeway Bay, Hong Kong on 30 May 2005 at 10:00 a.m. is set out in the annual report of the Company for the year ended 31 December 2004.

This circular 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 posting and on the Company’s website at www.gdc-world.com.

* For identification purpose only

CHARACTERISTICS OF GEM

The Growth Enterprise Market of The Stock Exchange Hong Kong Limited (“GEM”) has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by The Stock Exchange of Hong Kong Limited. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	3
2. Proposed grant of general mandates	
– Share Repurchase Mandate	4
– Share Issue Mandate	4
– Explanatory Statement	4
3. Re-election of retiring Directors	5
4. Change of auditors	5
5. Authorisation granted to the Directors for appointment of additional Directors	5
6. AGM	6
7. Action to be taken	6
8. Right to demand a poll	6
9. Recommendation	7
Appendix I – Explanatory statement	8
Appendix II – Details of retiring Directors proposed to be re-elected	13

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 33/F Sonata Gemini & Libra Room, Rosedale on the Park • Hong Kong, 8 Shelter Street, Causeway Bay, Hong Kong on 30 May 2005 at 10:00 a.m.
“associates”	as such term is defined under the GEM Listing Rules
“Board”	the board of Directors or a duly authorised committee thereof for the time being
“Company”	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM
“Directors”	the directors of the Company for the time being
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as may be amended, modified or supplemented from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 April 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the notice convening the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Share Issue Mandate”	a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the Ordinary Resolution no. 5(B) up to 20% of the issued share capital of the Company as at the date of passing the Ordinary Resolution no. 5(B)

DEFINITIONS

“Share Repurchase Mandate”	a general mandate to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in the Ordinary Resolution no. 5(A) up to 10% of the issued share capital of the Company as at the date of passing the Ordinary Resolution no. 5(A)
“Share Repurchase Rules”	the relevant rules set out in the GEM Listing Rules to regulate the repurchase of shares by companies with primary listing of their own securities on GEM
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	as such term is defined under the GEM Listing Rules
“substantial shareholder”	as such term is defined under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



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)

Joint Chairmen (Non-executive Directors):

Mr. Anthony Francis Neoh

Mr. Cao Zhong

Executive Directors:

Mr. Raymond Dennis Neoh (*Vice-chairman*)

Mr. Chen Zheng (*General Manager*)

Non-executive Director:

Dr. David Deng Wei (*Vice-chairman*)

Independent non-executive Directors:

Mr. Gordon Kwong Che Keung

Professor Japhet Sebastian Law

Mr. Paul Kwan Yuen Chiu

Registered office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Head office and principal place
of business in Hong Kong:*

Room 1804-05, Hutchison House

No. 10, Harcourt Road

Central, Hong Kong

28 April 2005

To the Shareholders,

Dear Sir/Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
CHANGE OF AUDITORS AND
AUTHORISATION GRANTED TO DIRECTORS
FOR APPOINTMENT OF ADDITIONAL DIRECTORS**

INTRODUCTION

This circular is issued with the purpose of giving you with information regarding the proposed renewal of the general mandates to allot, issue and deal with the Shares and to repurchase Shares, the proposed re-election of retiring Directors of the Company, the change of auditors of the Company and authorisation granted to the Directors for appointment of additional Directors and to seek your approval of the relevant Ordinary Resolutions relating to these matters at the AGM.

This circular contains, amongst other things, the explanatory statement, details of retiring Directors proposed to be re-elected and details of auditors proposed to be appointed in compliance with the GEM

* For identification purpose only

LETTER FROM THE BOARD

Listing Rules Governing the GEM and to give all the information reasonably necessary to enable Shareholders of the Company to make an informed decision on whether to vote for or against the resolutions.

PROPOSED GRANT OF GENERAL MANDATES

At the annual general meeting of the Company held on 20 April 2004, ordinary resolutions were passed to, among other things, grant the general mandates to the Directors (i) to repurchase, among other things, Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on 20 April 2004; and (ii) to allot and issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on 20 April 2004 and the nominal amount (up to a maximum of 10% of aggregate nominal amount of the Company's issued share capital) of any Shares repurchased by the Company.

20,820,000 new Shares were issued on 14 May 2004 pursuant to the general mandate to allot and issue and otherwise deal with Shares granted to the Directors at the annual general meeting of the Company held on 20 April 2004.

These general mandates will lapse at the conclusion of the AGM.

Share Repurchase Mandate

At the forthcoming AGM, an Ordinary Resolution will be proposed in respect of the granting to the Directors of the Share Repurchase Mandate, in the terms set out in the notice of the AGM, to exercise the powers of the Company to repurchase its own securities on GEM at any time during the period ended on the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the date upon which such authority is revoked or varied at a general meeting of the shareholders and (iii) the date by which the next annual general meeting of the Company is required to be held by laws or the bye-laws. The aggregate nominal amount of Shares to be purchased pursuant to the Share Repurchase Mandate shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the relevant resolution.

Share Issue Mandate

At the AGM, Ordinary Resolutions will also be proposed to renew the general mandate granted to the Directors to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the relevant resolution, and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the Share Repurchase Mandate.

Explanatory Statement

An explanatory statement containing all relevant information relating to the proposed Share Repurchase Mandate is set out in the Appendix I to this circular. The information in the explanatory statement is provided to you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Share Repurchase Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the bye-laws of the Company, Mr. Cao Zhong, Mr. Raymond Dennis Neoh, Mr. Chen Zheng and Mr. Paul Kwan Yuen Chiu will retire at the AGM and all are eligible for re-election. Except for Mr. Paul Kwan Yuen Chiu, who has informed the Board that he will not stand for re-election, Mr. Cao Zhong, Mr. Raymond Dennis Neoh and Mr. Chen Zheng will offer themselves for re-election at the AGM.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

CHANGE OF AUDITORS

The Board received a notice of resignation from Messrs. PricewaterhouseCoopers (“PwC”) in respect of their resignation as auditors of the Company with effect from 4 March 2005. At the last annual general meeting of the Company held on 20 April 2004, PwC were re-appointed auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company. The Board accepted PwC’s resignation and resolved to appoint Messrs. Deloitte Touche Tohmatsu (“DTT”) as auditors of the Company to fill the casual vacancy following the resignation of PwC. As the Company is a subsidiary of Shougang Concord Grand (Group) Limited (the “Holding Company”), a company listed on the Main Board of the Stock Exchange, the Board considers that it would be for the benefit of the Company to retain the same auditors as the Holding Company in order to standardize and monitor the accounting procedures of the Group and the Holding Company. Therefore, the Board now proposes to the Shareholders to ratify the appointment of DTT as auditors of the Company to fill the casual vacancy following the resignation of PwC.

In relation to the resignation of PwC, no reason is stated in the resignation letter and the Board confirms that it is not aware of any fact or circumstances that ought to be brought to the attention of the Stock Exchange or the Shareholders. As the Company is incorporated in Bermuda, the Board understands that there is no requirement under Bermuda law for the resigning auditors to provide a clearance letter to the Company in this regard. PwC has provided a written statement to DTT, the incoming auditors, confirming that they know of no professional or other reason why DTT should not accept the appointment as auditors of the Company. The Board confirmed that there are no circumstances in respect of the resignation which they considered should be brought to the attention of the members of the Company and is not aware of any disagreement on accounting treatment between PwC and the Board.

AUTHORISATION GRANTED TO THE DIRECTORS FOR APPOINTMENT OF ADDITIONAL DIRECTORS

In accordance with bye-law 86(2) of the bye-laws of the Company, that the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the members in general meeting, as an additional to the existing Board but so the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting.

LETTER FROM THE BOARD

The purpose of Ordinary Resolution no. 4 set out in the notice convening AGM is to grant authority to the Board for appointment of additional Director to the Company. The Board considers that it will be costly for the Company to convene general meeting from time to time for appointment of additional Directors only.

AGM

The notice for the AGM is set out in the annual report of the Company for the year ended 31 December 2004 which has been despatched to the Shareholders on 28 April 2005.

ACTION TO BE TAKEN

The proxy form for use at the AGM is enclosed with the annual report of the Company for the year ended 31 December 2004. Whether or not you intend to attend the AGM (or any adjournment thereof), you are requested to complete the accompanying proxy form and return it to the Company's Hong Kong branch share registrar and transfer office, Standard Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM if they so wish.

RIGHT TO DEMAND A POLL

Subject to the requirements under the GEM Listing Rules, pursuant to existing bye-law 66 of the bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (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
- (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.

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

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the general mandates to issue and repurchase Shares, the re-election of the retiring Directors, the change of auditors of the Company and authorisation granted to the Directors for appointment of additional Directors are in the interest of the Company as well as its Shareholders and so recommend you to vote in favour of the relevant resolutions at the forthcoming AGM.

Yours faithfully,
By Order of the Board
Anthony Francis Neoh
Joint Chairman

This Appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide all the information reasonably necessary to enable Shareholders to make an informed decision on whether to approve the Share Repurchase Mandate. For the purpose of this Appendix, the term “Shares” shall be as defined in the Code on Share Repurchases within the Takeovers Code to mean shares of all classes and securities which carry a right to subscribe for or purchase shares.

1. GEM LISTING RULES FOR REPURCHASES OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid Shares on GEM subject to certain restrictions, the more important of which are summarized below:

(a) Shareholders’ approval

All proposed repurchase of securities of the Stock Exchange by a company with primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by special approval of a particular transaction.

(b) Share capital

Under the Share Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the relevant resolution granting the Share Repurchase Mandate. The Company’s authority is restricted to purchase on GEM in accordance with the GEM Listing Rules. On 22 April 2005, being the Latest Practicable Date, there were in issue an aggregate of 800,820,000 Shares. Exercise in full of the Share Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the AGM, would accordingly result in up to 80,082,000 Shares being repurchased by the Company. The Shares repurchased by the Company shall, subject to applicable law, be automatically cancelled upon such repurchase.

(c) Reasons for repurchase

The Directors have no present intention to repurchase any Shares but consider that the Share Repurchase Mandate will provide the Company with the flexibility to make such repurchase as and when appropriate and is beneficial to the Company. Such repurchase may depend on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its loss per Share. As compared with the financial position of the Company as at 31 December 2004 (being the date of its latest audited accounts), the Directors consider that there might be an adverse impact on the working capital and on the gearing position of the Company in the event that the Share Repurchase Mandate were to be made in full at any time during the proposed repurchase period. In the circumstance, the Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

(d) Funding of repurchase

Repurchase of the Shares will be funded out of funds legally available for such purpose in accordance with the memorandum and bye-laws of the Company and the applicable laws of Bermuda.

The Company is empowered by its memorandum and bye-laws to repurchase its Shares. The Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium of the Company. Under the Bermuda law, the repurchased shares will remain part of the authorised but unissued share capital.

(e) Connected persons

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquires, any of the associates (as defined in the GEM Listing Rules) of any of the Directors has any present intention, in the event that the proposed Share Repurchase Mandate is approved by the Shareholders, to sell the Shares to the Company.

At the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchase of Shares.

(f) Effect of Takeovers Code and minimum public float

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the register of Shareholders maintained by the Company pursuant to section 336 of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of Shareholder	Number of Shares held	Capacity	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Share Repurchase Mandate is exercised in full
Shougang Holding (Hong Kong) Limited	658,466,023 (Note 1)	Interest in controlled corporation	82.22%	91.36%
Shougang Concord Grand (Group) Limited	658,466,023 (Note 1)	Interest in controlled corporation	82.22%	91.36%
Upper Nice Assets Ltd.	658,466,023 (Note 1)	Beneficial Interest	82.22%	91.36%
Sotas Limited	55,544,102	Beneficial Interest (Note 2)	6.94%	7.71%
Morningside CyberVentures Holdings Limited	55,544,102	Interest in controlled corporation (Note 2)	6.94%	7.71%
Verrall Limited	55,544,102	Interest in controlled corporation (Note 2)	6.94%	7.71%
Mrs. Chan Tan Ching Fen	55,544,102	Founder of a trust (Note 2)	6.94%	7.71%

Note:

1. Upper Nice Assets Ltd. is an indirectly wholly-owned subsidiary of Shougang Concord Grand (Group) Limited which is regarded to be held as to approximately 39% by Shougang Holding (Hong Kong) Limited as recorded under the register of Shougang Concord Grand (Group) Limited kept under Section 336 of the SFO. The interests held by Upper Nice Assets Ltd. are included in the interests held by both of Shougang Concord Grand (Group) Limited and Shougang Holding (Hong Kong) Limited.
2. The 55,544,102 Shares were held by Sotas Limited, a company incorporated in the BVI with limited liability and wholly owned by Morningside CyberVentures Holdings Limited, which is in turn a wholly owned subsidiary of Verrall Limited in its capacity as trustee of a family trust established by Mrs. Chan Tan Ching Fen, who was taken to be interested in the Shares disclosed herein in her capacity as founder of the trust (as defined in the SFO) referred to above upon the listing of the Shares on GEM.

In the event that the Directors shall exercise in full the Share Repurchase Mandate, the total interests of the above Shareholders would be increased to approximately the respective percentages shown in the last column above and such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no current intention to exercise the Share Repurchase Mandate to such an extent as would give rise to this obligation.

Assuming that there is no issue of Shares in the Company between the Latest Practicable Date and the date of a repurchase, an exercise of the Share Repurchase Mandate whether in whole or in part will not result in less than the relevant prescribed minimum percentage of the Shares of the Company being held by the public as required by the Stock Exchange. The Directors have no intention to exercise the Share Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed minimum percentage.

2. SHARE PRICES

The monthly highest and lowest prices at which the Shares had traded on GEM during the 12 months preceding the Latest Practicable Date were as follows:

Month	Per Share	
	Highest HK\$	Lowest HK\$
2004		
April	0.500	0.440
May	0.470	0.380
June	0.420	0.320
July	0.370	0.355
August	0.350	0.115
September	0.165	0.120
October	0.146	0.100
November	0.150	0.120
December	0.144	0.120
2005		
January	0.142	0.108
February	0.300	0.136
March	0.400	0.295

3. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the GEM Listing Rules, the applicable laws and regulations of Bermuda and the memorandum and bye-laws of the Company.

4. SHARE PURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares during the previous six months immediately preceding the Latest Practicable Date.

The details of the retiring Directors proposed to be re-elected at the AGM are set out as follows:

CAO ZHONG

Mr. Cao, aged 45, graduated from Zhejiang University, the PRC and Graduate School, The Chinese Academy of Social Sciences with a bachelor degree in engineering and a master degree in economics. He is a non-executive director and the joint chairman of the Company in February 2005. He was appointed as the chairman of Shougang Concord Century Holdings Limited and Shougang Concord Technology Holdings Limited, the deputy chairman and general manager of Shougang Holding (Hong Kong) Limited, the managing director of Shougang Concord International Enterprises Company Limited and the vice chairman of Shougang Concord Grand (Group) Limited in November 2001. He also acts as the assistant general manager of Shougang Corporation and the chairman of China Shougang International Trade and Engineering Corporation. Save as disclosed above, Mr. Cao did not hold directorship in any listed public companies in the last three years. Mr. Cao has extensive experience in corporate management and operation.

There is no service contract entered into between the Company and Mr. Cao. Mr. Cao has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company. Mr. Cao will receive director's fee as the Company may determine from time to time. The emoluments of Mr. Cao will be determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Mr. Cao does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company and as at the date of this circular, he does not have any interest in the Shares which is required to be disclosed under Part XV of the SFO.

RAYMOND DENNIS NEOH

Mr. Neoh, aged 54, is the founder of the Group. Mr. Raymond Dennis Neoh is also the Vice Chairman of the Group and the Chief Operating Officer in charge of the CG training, content creation and production business of the Group. Mr. Neoh is also responsible for establish the digital cinema group within the company by recruited Dr. Chong Man Nang as CEO for GDC Technology. Together with Dr. Chong had build GDC-Technology to be the world market leader for digital and electronic cinema today. He holds a Bachelor degree in Business Administration from Hawaii Pacific University and Master degree in International Management from the American Graduate School of International Management in May 1976. He has been involved in computer imagining and graphic since early 1980's in California. He is a voting member of the American Computer Machine Association and a member of SIGGRAPH. In 1998, he obtained support from the Hong Kong Government and the City University of Hong Kong to establish Digital Content Development Corporation Limited ("DCDC") and trained over 300 CG artists from 1998 to early 2000. Mr. Raymond Dennis Neoh was an executive director of DCDC between 26 March 1999 and 13 October 2001. Save as disclosed above, Mr. Neoh did not hold directorship in any listed public companies in the last three years.

Mr. Raymond Dennis Neoh is the younger brother of Mr. Anthony Francis Neoh. In addition, 3,318,450 Shares were held by Madam Lau Fung Sim, the spouse of Mr. Raymond Dennis Neoh, representing approximately 0.41% of the total issued share capital of the Company as at the Latest Practicable Date.

Mr. Raymond Dennis Neoh has entered into a service agreement with the Company. Particulars of such contract are set out below:

- (a) the service agreement is for an initial term of three years commencing from 18 July 2003 and will continue thereafter until terminated by either party giving to the other not less than three calendar months' prior notice in writing;
- (b) the remuneration per month, subject to review annually by the Board, and decided by the majority in number of members of the Board, of Mr. Raymond Dennis Neoh is HK\$100,000;
- (c) Mr. Raymond Dennis Neoh is entitled to such year-end bonus (if any) as determined by the Board and decided by the majority in number of the members of the Board provided that the total amount of bonuses payable to all Directors for such year shall not exceed 15% of the audited consolidated net profit after taxation and minority interests but before extraordinary and exceptional items and the payment of such bonus;
- (d) Mr. Raymond Dennis Neoh is also entitled to all reasonable out-of-pocket expenses and medical benefits; and
- (e) Mr. Raymond Dennis Neoh shall abstain from voting and shall not be counted in the quorum at any meeting of the Board at which the Board is to determine the remuneration and year-end bonus payable to him.

CHEN ZHENG

Mr. Chen, aged 45, is an engineer and a senior economist. Mr. Chen holds a bachelor degree in chemical engineering and a master degree in business administration. He is an executive director and general manager of the Company in February 2005. He was appointed as the executive director of Shougang Concord Grand (Group) Limited in January 2004. Save as disclosed above, Mr. Chen did not hold directorship in any listed public companies in the last three years. Mr. Chen has extensive experience in investing business and corporate management.

There is no service contract entered into between the Company and Mr. Chen. Mr. Chen has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company. Mr. Chen will receive director's fee as the Company may determine from time to time. The emoluments of Mr. Chen will be determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Mr. Chen does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company and as at the date of this circular, Mr. Chen has no interest in the shares of the Company within the meaning of Part XV of the SFO.