首長四方(集團)有限公司*
SHOUGANG CONCORD GRAND (GROUP) LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 730)

環球數碼創意控股有限公司*
GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 8271)

MAJOR TRANSACTIONS AND RESUMPTION OF TRADING

MAJOR TRANSACTION VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

The Agreement

On 23 December 2008, the Lender, a wholly-owned subsidiary of GDC, entered into the Agreement with the Borrower and Keen Front, whereby:

(1) the Lender agreed to, and/or procure its designated companies to, make available to the Borrower and/or its designated companies a term loan facility in the maximum principal amount of RMB100 million (approximately HK$113,600,000) for the purposes of satisfying Guangzhou Yingyi's obligations under the TV Channel Advertising Agreement and as working capital of Guangzhou Yingyi; and

(2) the Borrower agreed to grant to the Lender and/or its designated companies the Call Options to subscribe for an aggregate of up to 60% of the enlarged issued share capital of the Borrower at an exercise price to be determined with reference to the results of audited consolidated financial statements of the Borrower in respect of the relevant Advertising Operation Year.

The terms of the Agreement were determined after arm's length negotiation and on normal commercial terms. Each of Shougang Grand and GDC proposes to seek its respective shareholders' approval of the grant of the Facility and the proposed Cap Amount for the exercise of the Call Options.

Listing Rules implications

The granting of the Facility by the Lender to the Borrower on a stand-alone basis constitutes a major transaction for each of GDC and Shougang Grand under the GEM Listing Rules and the Listing Rules, respectively. The Cap Amount for the exercise of the Call Options constitutes a very substantial acquisition for GDC and a major transaction for Shougang Grand, respectively. Accordingly, the entering into of the Agreement and the transactions contemplated thereunder, which include the provision of the Facility, grant of the Call Options and the exercise of the Call Options within the six months period immediately after the end date (that is, 30 June) of each of the Advertising Operation Years subject to the Cap Amount, is subject to the approval of the GDC Shareholders at the SGM of GDC and the approval of the Shougang Grand Shareholders at the SGM of Shougang Grand, respectively.

To the best of their knowledge, information and belief of the directors of Shougang Grand and GDC, and having made all reasonable enquiry, none of the Shougang Grand Shareholders and the GDC Shareholders has a material interest in the Agreement or is required to abstain from voting for the resolutions to approve the entering into of the Agreement and the transactions contemplated thereunder.

Circulars of each of Shougang Grand and GDC containing, among other things, details of the Agreement together with a notice of SGM will respectively be despatched to the Shougang Grand Shareholders and the GDC Shareholders in accordance with the respective requirements of the Listing Rules and the GEM Listing Rules as soon as practicable.

Resumption of trading

At the respective request of Shougang Grand and GDC, trading in the Shougang Grand Shares and the GDC Shares on the Stock Exchange and GEM (as appropriate) was suspended from 9:30 a.m. on 23 December 2008 pending the release of this announcement. Applications have been made by Shougang Grand and GDC to the Stock Exchange and GEM (as appropriate) for the resumption of trading in the Shougang Grand Shares on the Stock Exchange and the GDC Shares on GEM with effect from 9:30 a.m. on 6 January 2009.

THE AGREEMENT

Date

23 December 2008

Parties

(1) the Lender, a wholly-owned subsidiary of GDC;

(2) the Borrower; and

(3) Keen Front, the holding company of the Borrower, principally engaged in investment holding.

To the best of their knowledge, information and belief of the directors of Shougang Grand and GDC, and having made all reasonable enquiry, the Borrower, Keen Front and their respective ultimate beneficial owners are third parties independent of each of Shougang Grand, GDC or any of their respective connected persons.

Principal terms of the Agreement

Loan facility	**:** The Lender agreed to, and/or procure its designated companies to, make available to the Borrower and/or its designated companies a term loan facility in the maximum principal amount of RMB100 million (approximately HK$113,600,000).
Purpose	**:** The Loan shall be used for the purposes of satisfying Guangzhou Yingyi's obligations under the TV Channel Advertising Agreement and as working capital of Guangzhou Yingyi.
Term	**:** From the date of the Agreement becoming effective (that is, having obtained the approvals from the Shougang Grand Shareholders and the GDC Shareholders and complying with the relevant disclosure and/or approval requirements under the Listing Rules and the GEM Listing Rules) to 30 June 2012.
Security	**:** The Facility is secured by a charge of each of (i) 10,000 shares of the Borrower (representing the entire issued share capital of the Borrower) held by Keen Front in favour of the Lender and/or its designated company; (ii) the entire equity interest in Ningbo Yingyi held by the Borrower in favour of the Lender and/or its designated companies; and (iii) 80% of the equity interest of Guangzhou Yingyi held by Ningbo Yingyi in favour of the Lender and/or its designated companies. As of the date of this announcement, a share charge deed dated 23 December 2008 in relation to the above item (i) has been executed by Keen Front in favour of the Lender.
Interest	**:** Interest at a rate of 6% per annum, which was arrived at arm's length negotiation basis under normal commercial terms with reference to the current market rate, taken into account the repayment capability of the Borrower by assessing the credit worthiness of the Borrower, the securities held by the Lender and the terms of the Facility. The maximum amount of interest payable by the Borrower under the Agreement is RMB18,000,000 (approximately HK$20,448,000).
Repayment	**:** The Lender has the right to demand, as its option, for the repayment of the outstanding amounts of the Loan and the interest thereunder to be settled by way of set-off against the amounts payable by the Lender and/or its designated companies to the Borrower as the exercise price of the Call Options. In the event that the aggregate outstanding amounts of the Loan and the interest thereunder exceeds the aggregate amount of the exercise price payable by the Lender and/or its designated companies to the Borrower and/or its designated companies for the exercise of the Call Options, the Borrower and/or its designated companies shall forthwith repay such differences to the Lender and/or its designated companies in full on the earliest of: (i) 30 June 2012; (ii) Guangzhou Yingyi fails to perform its obligations under the TV Channel Advertising Agreement; and (iii) the Borrower breaches its undertakings stipulated in the Agreement.

Others : (i) The Lender and/or its designated companies has advanced a sum of RMB60 million (approximately HK$68,160,000) to the Borrower and/or its designated companies upon entering into of the Agreement. Upon the Agreement coming into effect, the sum of RMB60 million (approximately HK$68,160,000) will form part of the Loan under the Agreement. In the event that the Shougang Grand Shareholders and the GDC Shareholders do not approve the entering into of the Agreement and the transactions contemplated thereunder, the Borrower and/or its designated companies will repay the sum of RMB60 million (approximately HK$68,160,000) together with interest calculated at a rate of 6% per annum within three business days upon receipt of a notice from the Lender.

(ii) Upon the Agreement coming into effect, the Borrower may make multiple drawings under the Facility provided that (a) a five business days' written notice is given in advance to the Lender; and (b) the total amount of the drawings to be made by the Borrower and/or its designated companies under the Agreement, including the sum of RMB60 million (approximately HK$68,160,000) advanced by the Lender and/or its designated companies upon entering into the Agreement, shall not exceed RMB100 million (approximately HK$ HK$113,600,000).

Conditions : Save for the RMB60 million (approximately HK$68,160,000) advanced by the Lender and/or its designated companies upon entering into the Agreement, the obligation of the Lender and/or its designated companies to make any Advance under the Agreement is subject to, among other things, the following conditions:

(1) the conducting of the due diligence review on the Borrower, Ningbo Yingyi and Guangzhou Yingyi and the result of which is to the satisfaction of the Lender;

(2) completion of all the necessary procedures on the charge of 10,000 shares of the Borrower held by Keen Front in favour of the Lender;

(3) completion of all the necessary procedures on the charge of the entire equity interest in Ningbo Yingyi held by the Borrower in favour of the Lender and/or its designated companies;

(4) completion of all the necessary procedures on the charge of the 80% equity interest in Guangzhou Yingyi held by Ningbo Yingyi in favour of the Lender and/or its designated companies;

(5) all necessary governmental and regulatory approvals, consents and registrations required for the performance of the TV Channel Advertising Agreement contemplated thereunder have been obtained; and

(6) each of the persons nominated by the Lender having been appointed as the director of the Borrower so that 50% of the composition of the board of directors of the Borrower is controlled by the Lender. As the Borrower currently has one director, the Lender has the right to appoint a nominee to the board of the Borrower.

Call Options	:	In consideration for the provision of the Facility, the Borrower has granted the Lender and/or its designated companies an exclusive right to subscribe for shares in the capital of the Borrower (representing 20% of the enlarged issued capital of the Borrower) within the six months period immediately after the end date (that is, 30 June) for each of the Advertising Operation Years. The total number of shares to be subscribed by the Lender under the Call Options shall not in aggregate exceed 60% of the total number of shares of the Borrower in issue as enlarged by such subscriptions. The total amount of consideration for the grant of Call Options is HK$1, which was based on arm's length negotiations between the parties.
Exercise period	:	The Call Options may be exercised by the Lender and/or its designated companies within the six months period immediately after the end date (that is, 30 June) for each of the Advertising Operation Years.
Exercise price for the Call Options	:	The exercise price of the Call Options will be determined as follows: (i) If the audited consolidated financial statements of the Borrower prepared under the HK GAAP for the Advertising Operation Year immediately prior to the exercise of the Call Option record an after tax net profit, the exercise price will be equivalent to the price-earning multiple of 6 of the Borrower based on the audited consolidated financial statements prepared under the HK GAAP for the Advertising Operation Year immediately prior to the exercise of the Call Options. The multiple of 6 times of price-earning was determined after arm's length negotiations and reference to the advertising sector comparable valuations based on public information. Shougang Grand and GDC consider that the price-earning multiple of 6 is reasonable and will provide comparables of other companies involved in the advertising industry as reference in the circulars to be despatched to their respective shareholders; and (ii) If the audited consolidated financial statements of the Borrower prepared under the HK GAAP for the Advertising Operation Year immediately prior to the exercise of the Call Options record a net loss, the exercise price will be HK$1 per share, being the par value of the share of the Borrower. As each of Shougang Grand and GDC proposes to seek its respective shareholders' approval at their respective SGM of the proposed Cap Amount for the exercise of the Call Options, the aggregate of the exercise price of the Call Options will not exceed the Cap Amount. Shougang Grand and GDC will comply with the relevant disclosure and/or shareholders' approval requirements under the respective requirements of the Listing Rules and the GEM Listing Rules if the exercise price of the Call Options exceeds the Cap Amount.
Payment of the exercise price	:	The Lender has the right to demand, at its option, to settle the consideration payable upon exercise of the Call Options by way of set-off against the outstanding amounts of the Loan and the interest thereunder.

Others	:	The consideration paid or set-off by the Lender upon exercising the Call Options, if any, shall be forthwith repaid in full by the Borrower and/or its designated companies to the Lender and/or its designated companies if Guangzhou Yingyi fails to perform its obligations under the TV Channel Advertising Agreement, or the Borrower breaches its undertakings stipulated in the Agreement.

The terms of the Agreement were determined after arm's length negotiation and on normal commercial terms. The Facility will be funded by the internal resources of GDC and Shougang Grand.

INFORMATION ON THE BORROWER, NINGBO YINGYI AND GUANGZHOU YINGYI

Borrower

The Borrower is an investment holding company incorporated in Hong Kong with limited liability on 23 October 2008. The Borrower was recently incorporated to serve as an investment holding company with limited assets and no material income and/or expenses incurred. As at the date of this announcement, Keen Front holds the entire issued share capital of the Borrower.

According to the unaudited management accounts for the period from the date of its incorporation to 30 November 2008, the only asset of the Borrower as of 30 November 2008 was the cash in bank in the sum of HK$1,101,000 received principally from advance made by the shareholder of the Borrower. Apart from the administrative cost and financial expense in the aggregate sum of approximately HK$18,000, there is no material income and/or expenses incurred up to 30 November 2008 and the loss for the period from the date of its incorporation to 30 November 2008 was approximately HK$18,000.

Ningbo Yingyi

NingboYingyi is an investment holding company established in the PRC with limited liability in December 2008. As at the date of this announcement, the Borrower holds all the registered capital of Ningbo Yingyi.

Guangzhou Yingyi

Guangzhou Yingyi is established in the PRC in December 2008 and principally engaged in media advertising business in the PRC. As at the date of this announcement, 80% of the registered capital of Guangzhou Yingyi is held by Ningbo Yingyi.

Both Ningbo Yingyi and Guangzhou Yingyi were established in the PRC in December 2008 and no accounts have been prepared for these companies.

In December 2008, Guangzhou Yingyi entered into the TV Channel Advertising Agreement with 廣東珠江電影文化發展有限公司 (Guangdong Zhujiang Movie Cultural Development Co., Ltd.*), pursuant to which Guangzhou Yingyi has obtained the right to become the sole advertising agent for the television channel of Guangdong Television Station for a 20-year period commencing from 1 July 2009.

To the best of their knowledge, information and belief of the directors of Shougang Grand and GDC, and having made all reasonable enquiry, the Borrower, Keen Front and their respective ultimate beneficial owners are third parties independent of each of Shougang Grand and GDC or any of their respective connected persons.

REASONS FOR THE TRANSACTION

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

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

In consideration of granting the Facility to the Borrower, the Lender is granted with the Call Options which entitles the GDC Group to subscribe up to 60% of the enlarged issued share capital of the Borrower. Upon exercise of the Call Options, the GDC Group can extend its business to media advertising in the PRC, which is expected to sustain a healthy and stable growth rate and generate stable cash inflow in the coming years.

The directors of Shougang Grand and GDC are of the view that the provision of the Facility and the Call Options are in line with the present strategy of GDC Group, which is to continue to develop its digital content business. The directors of Shougang Grand and GDC also believe that the terms of the Agreement are fair and reasonable and in the interest of the Shougang Grand Shareholders and the GDC Shareholders as a whole.

GENERAL

Each of Shougang Grand and GDC proposes to seek its respective shareholders' approval of the grant of the Facility and the proposed Cap Amount for the exercise of the Call Options.

As at the date of this announcement, Shougang Grand is indirectly interested in approximately 52.6% of GDC. The granting of the Facility by the Lender to the Borrower on a stand-alone basis constitutes a major transaction for each of GDC and Shougang Grand under the GEM Listing Rules and the Listing Rules, respectively. The Cap Amount for the exercise of the Call Options constitutes a very substantial acquisition for GDC and a major transaction for Shougang Grand, respectively. Accordingly, the entering into of the Agreement and the transactions contemplated thereunder, which include the provision of the Facility, grant of the Call Options and the exercise of the Call Options within the six months period immediately after the end date (that is, 30 June) of each of the Advertising Operation Years subject to the Cap Amount, is subject to the approval of the GDC Shareholders at the SGM of GDC and the approval of the Shougang Grand Shareholders at the SGM of Shougang Grand, respectively.

To the best of their knowledge, information and belief of the directors of Shougang Grand and GDC, and having made all reasonable enquiry, none of the Shougang Grand Shareholders and the GDC Shareholders has a material interest in the Agreement or is required to abstain from voting for the resolutions to approve the entering into of the Agreement and the transactions contemplated thereunder.

Circulars of each of Shougang Grand and GDC containing, among other things, details of the Agreement together with a notice of SGM will respectively be despatched to the Shougang Grand Shareholders and the GDC Shareholders in accordance with the respective requirements of the Listing Rules and the GEM Listing Rules as soon as practicable.

RESUMPTION OF TRADING

At the respective request of Shougang Grand and GDC, trading in the Shougang Grand Shares and the GDC Shares on the Stock Exchange and GEM (as appropriate) was suspended from 9:30 a.m. on 23 December 2008 pending the release of this announcement. Applications have been made by Shougang Grand and GDC to the Stock Exchange and GEM (as appropriate) for the resumption of trading in the Shougang Grand Shares on the Stock Exchange and the GDC Shares on GEM with effect from 9:30 a.m. on 6 January 2009.

DEFINITIONS

"Advance"	each advance drawn down under the Facility pursuant to the Agreement
"Advertising Operation Year(s)"	each of the 12-month periods beginning on 1 July each year from 2009 to 2012
"Agreement"	the agreement dated 23 December 2008 entered into between the Lender, the Borrower and Keen Front with respect to the Facility and the Call Options
"Borrower"	Southern International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Keen Front
"Call Options"	the exclusive rights and options granted by the Borrower to the Lender and/or its designated companies to subscribe for shares in the capital of the Borrower at the exercise price under the terms and conditions and in the manner set forth in the Agreement, the exercise of which will be subject to the consents and approvals required by law and regulation applicable to the Borrower, Shougang Grand and GDC, including the Listing Rules and the GEM Listing Rules
"Cap Amount"	the sum of the principal amount of the Loan and the interest therefor, being RMB118 million (approximately HK$134,048,000)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules (as appropriate)
"Facility"	the term loan facility of RMB100 million (approximately HK$113,600,000) granted by the Lender and/or its designated companies to the Borrower and/or its designated companies under the Agreement
"GDC"	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability whose securities are listed on GEM
"GDC Group"	GDC and its subsidiaries

"GDC Shares"	ordinary share(s) of HK$0.01 each in the issued share capital of GDC
"GDC Shareholders"	holders of GDC Shares
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Guangzhou Yingyi"	廣州市影逸廣告有限公司(Guangzhou Yingyi Advertising Co., Ltd.*), a company established under the laws of the PRC and is owned as to 80% by Ningbo Yingyi
"HK GAAP"	generally accepted accounting principles in Hong Kong
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Keen Front"	Keen Front Group Limited, a company incorporated in the British Virgin Islands, the holding company of the Borrower
"Lender"	GDC Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of GDC
"Listing Rules"	the Rules Governing the Listing of the Securities on the Stock Exchange
"Loan"	at any time, the aggregate of all Advances outstanding at such time
"Ningbo Yingyi"	寧波影逸信息技術有限公司(Ningbo Yingyi Information Technology Co., Ltd.*), a company established under the laws of the PRC and a wholly-owned subsidiary of the Borrower
"PRC"	the Peoples' Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SGM"	the special general meeting of GDC and Shougang Grand (as appropriate) to be convened to approve the Agreement and the transactions contemplated thereunder
"Shougang Grand"	Shougang Concord Grand (Group) Limited, a company incorporated in Bermuda with limited liability whose securities are listed on the main board of the Stock Exchange
"Shougang Grand Shares"	ordinary shares of HK$0.01 each in the share capital of Shougang Grand
"Shougang Grand Shareholders"	holders of Shougang Grand Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TV Channel Advertising Agreement"	the agreement entered into between Guangzhou Yingyi and 廣東珠江電影文化發展有限公司 (Guangdong Zhujiang Movie Cultural Development Co., Ltd.*) in December 2008, pursuant to which Guangzhou Yingyi is the sole advertising agent for the television channel of Guangdong Television Station for a 20-year period commencing from 1 July 2009
"%"	per cent.

For illustration purposes, amounts in RMB in this announcement have been translated into HK$ at RMB1 = HK$1.136.

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

By Order of the Board
GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED
Chen Zheng
Managing Director

Hong Kong, 5 January 2009

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

As at the date of this announcement, the board of GDC (the "GDC Directors") comprises Mr. Cao Zhong (Chairman), Mr. Chen Zheng (Managing Director), Mr. Jin Guo Ping (Deputy Managing Director), Ms. Lu Yi, Gloria (Deputy Managing 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 Dr. Japhet Sebastian Law (Independent Non-executive Director).

This announcement, for which the GDC 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 GDC. The GDC Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at http://www.hkgem.com for at least 7 days from the date of its posting and on the website of Shougang Grand and GDC at http://www.shougang-grand.com.hk and http://www.gdc-world.com respectively.

** For identification purposes only*