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

MAJOR TRANSACTION
AND
RESUMPTION OF TRADING

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)

VERY SUBSTANTIAL DISPOSAL
AND
RESUMPTION OF TRADING

References are made to the joint announcements of Shougang Grand and GDC dated 24 September 2008 and 28 November 2008 in relation to the Supplemental Agreement and the termination of the Supplemental Agreement, respectively.

Due to a change in strategies of Shougang GDC Media and China Film in pursuing the digital cinema business in the PRC, the parties have agreed to terminate the Supplemental Agreement on 28 November 2008.

The Disposal Agreement

On 9 January 2009, Shenzhen IDMT, a wholly-owned subsidiary of GDC, entered into the Disposal Agreement with China Film pursuant to which Shenzhen IDMT agreed to dispose the Disposal Equipments to China Film for cash at a total consideration of RMB223,791,600 (equivalent to approximately HK$254,227,000).

The Proposed Disposal will constitute a very substantial disposal for GDC under the GEM Listing Rules and is subject to the approval by the GDC Shareholders at a special general meeting of GDC to be convened to approve the transaction.

As at the date of this announcement, Shougang Grand is indirectly interested as to approximately 52.6% of GDC. The Proposed Disposal will also constitute a major transaction for Shougang Grand under the Listing Rules and is subject to the approval by the Shougang Grand Shareholders at a special general meeting of Shougang Grand to be convened to approve the transaction.

Circulars of each of Shougang Grand and GDC containing further information about the Disposal Agreement, together with, among other things, a notice of special general meeting of each of Shougang Grand and GDC 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 12 January 2009 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 14 January 2009.

References are made to the joint announcements of Shougang Grand and GDC dated 24 September 2008 and 28 November 2008 in relation to the Supplemental Agreement and the termination of the Supplemental Agreement, respectively.

Due to a change in strategies of Shougang GDC Media and China Film in pursuing the digital cinema business in the PRC, the parties have agreed to terminate the Supplemental Agreement on 28 November 2008.

THE DISPOSAL AGREEMENT

Date: 9 January 2009

Parties:

Purchaser: China Film, a state-run film enterprise which is the largest importer of foreign films in the PRC. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, China Film and its ultimate beneficial owners are independent third parties not connected with each of Shougang Grand or GDC or any of their respective connected persons.

Vendor: Shenzhen IDMT

Information of the Disposal Equipments:

Pursuant to the Disposal Agreement, Shenzhen IDMT agreed to dispose the Disposal Equipments to China Film. As at 30 June 2008, the Disposal Equipments had a carrying value of approximately HK$260.9 million.

Consideration and payment terms:

The Consideration of RMB223,791,600 (equivalent to approximately HK$254,227,000) has been determined after arm’s length negotiation between the parties with reference to the original investment costs of Shenzhen IDMT for the Disposal Equipments.

The Consideration for the Proposed Disposal shall be payable by China Film in cash to Shenzhen IDMT in the following manner:

(i) a sum of RMB100,000,000 (equivalent to approximately HK$113,600,000), being approximately 45% of the Consideration, shall be payable within 3 days upon the Disposal Agreement becoming effective; and

(ii) the remaining balance of RMB123,791,600 (equivalent to approximately HK$140,627,000), being approximately 55% of the Consideration, shall be payable in three installments in accordance with the following schedule:

(a) RMB50,000,000 (equivalent to approximately HK$56,800,000), being approximately 22% of the Consideration, shall be payable on or before 1 June 2009;

(b) RMB50,000,000 (equivalent to approximately HK$56,800,000), being approximately 22% of the Consideration, shall be payable on or before 1 September 2009; and

(c) RMB23,791,600 (equivalent to approximately HK$27,027,000), being approximately 11% of the Consideration, shall be payable on or before 1 December 2009.

In the event China Film fails to pay Shenzhen IDMT with the amount on the designated dates as stated above, China Film shall pay Shenzhen IDMT a daily penalty fee of 0.05% of the late payment amount.

Other terms of the Disposal Agreement

Pursuant to the Disposal Agreement:

(i) upon receiving the 1st payment of RMB100,000,000 (equivalent to approximately HK$113,600,000) from China Film, Shenzhen IDMT shall deliver the Disposal Equipments to China Film at the Disposal Equipments' existing locations. China Film can request for exchange or reject those Disposal Equipments within two weeks of the delivery if their qualities do not reach the specifications agreed between the parties; and

(ii) Shenzhen IDMT shall assign its existing four-year warranty on the Disposal Equipments from the supplier of the Disposal Equipments to China Film. If Shenzhen IDMT fails to assign such warranty to China Film, Shenzhen IDMT shall be responsible for the warranty on the Disposal Equipments for the remaining period of the four-year warranty.

Condition precedent:

The Disposal Agreement is conditional and effective upon the Disposal Agreement and the transactions contemplated therein having been approved by the Shougang Grand Shareholders and the GDC Shareholders at their respective special general meetings.

FINANCIAL INFORMATION OF THE DISPOSAL EQUIPMENTS

	Year ended 31 December 2007 *HK$'000* *(audited)*	**Nine months ended 30 September 2008** *HK$'000* *(unaudited)*
Loss before and after tax attributable to the subjected assets of the Proposed Disposal	-	(17,558)

REASONS FOR THE TRANSACTIONS

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.

GDC, through Shenzhen IDMT, entered into a co-operation agreement with China Film on 31 October 2006 to jointly promote digital cinema business in the PRC. Since the signing of the co-operation agreement and the establishment of the PRC Media JV, Shenzhen IDMT had already invested in 448 units of digital cinema equipment. According to the Supplemental Agreement which was subsequently terminated, these equipments were intended to be injected into the PRC Media JV, and Shougang GDC Media, through its 49% interest in the PRC Media JV, would be able to share a specified percentage of the box office receipts from cinemas for exhibition of digital contents in the PRC. However, after having further considered that additional substantial amount of capital is needed to continue the deployment of digital cinema network in the PRC, the prevailing conditions in the credit market and the consecutive loss of the Disposal Equipments since its deployment up to 30 September 2008, the Directors consider that it would be more appropriate to have the Supplemental Agreement terminated and effect the Proposed Disposal. The estimated net proceeds from the Proposed Disposal will also provide funding for the GDC Group's development in its existing business divisions and the media advertising business in the PRC. Furthermore, Shougang GDC Media and China Film has agreed to liquidate the PRC Media JV.

Upon completion of the Proposed Disposal, GDC will still continue its digital content distribution and exhibition business worldwide, including the PRC.

As at the date of this announcement, save for the Disposal Equipments, Shenzhen IDMT has already sold most of its remaining digital cinema equipments to independent third parties.

Based on the Consideration and the associated estimated cost of the Proposed Disposal, the estimated net proceeds from the Proposed Disposal is approximately HK$252.0 million, which is expected to be utilised as funding for expansion of the GDC Group's operations and as working capital to support its growth and development. On 23 December 2008, GDC through its wholly owned subsidiary, GDC Holdings Limited, entered into an agreement with Southern International Limited and Keen Front Group Limited, details of which have been disclosed in the joint announcement of Shougang Grand and GDC dated 5 January 2009.

Pursuant to such agreement, upon the exercise of the Call Options (as defined in the joint announcement of Shougang Grand and GDC dated 5 January 2009), the GDC Group will be able to 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 for the GDC Group in the coming years. The estimated net proceeds from the Proposed Disposal will also provide funding for the GDC Group's development in the media advertising business in the PRC.

Based on (i) the carrying value of the Disposal Equipments of approximately HK$260.9 million as at 30 June 2008; (ii) the estimated costs of the Proposed Disposal of approximately HK$2.2 million; and (iii) the Consideration, the GDC Group would recognise a loss from the Proposed Disposal of approximately HK$8.9 million. However, Shougang Grand Shareholders and GDC Shareholders should note that the actual financial effects on the Proposed Disposal will be determined based on the carrying value of the Disposal Equipments immediately upon completion of the Proposed Disposal. The directors of GDC estimate that the carrying value of the Disposal Equipments will be less than HK$260.9 million immediately upon completion of the Proposed Disposal.

Having considered the terms of the Disposal Agreement and the above reasons for and benefits of the Proposed Disposal, the Directors are of the view that the terms of the Disposal Agreement and the Proposed Disposal are fair and reasonable and in the interest of the Shougang Grand Shareholders and the GDC Shareholders as a whole.

GENERAL

The Proposed Disposal will constitute a very substantial disposal for GDC under the GEM Listing Rules and is subject to the approval by the GDC Shareholders at a special general meeting of GDC to be convened to approve the transaction.

As at the date of this announcement, Shougang Grand is indirectly interested as to approximately 52.6% of GDC. The Proposed Disposal will also constitute a major transaction for Shougang Grand under the Listing Rules and is subject to the approval by the Shougang Grand Shareholders at a special general meeting of Shougang Grand to be convened to approve the transaction.

Circulars of each of Shougang Grand and GDC containing further information about the Disposal Agreement, together with, among other things, a notice of special general meeting of each of Shougang Grand and GDC 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 12 January 2009 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 14 January 2009.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise provided:

"China Film"	中國電影集團公司(China Film Group Corporation), a company incorporated in the PRC, a third party independent of each of Shougang Grand, GDC and their respective connected persons
"connected person"	has the meanings ascribed to it under the Listing Rules and the GEM Listing Rules (as appropriate)
"Consideration"	RMB223,791,600 (equivalent to approximately HK$254,227,000) payable by China Film to Shenzhen IDMT pursuant to the Disposal Agreement
"Director(s)"	the director(s) of Shougang Grand and GDC
"Disposal Agreement"	the agreement dated 9 January 2009 entered into between Shenzhen IDMT and China Film in relation to the disposal of the Disposal Equipments by Shenzhen IDMT to China Film
"Disposal Equipments"	445 units of digital cinema equipment and related accessories, which are accounted as an intangible asset under generally accepted accounting principles in Hong Kong. These equipments were installed at cinemas all over the PRC for exhibition of digital contents, of which Shenzhen IDMT can share a specified percentage of the box office receipts
"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 shares of HK$0.01 each in the share capital of GDC
"GDC Shareholders"	holders of GDC Shares
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"PRC Media JV"	中影首鋼環球數碼數字影院建設(北京)有限公司 (CFGDC Digital Cinema Company Limited), a sino-foreign joint venture established in the PRC and is owned as to 51% by China Film and as to 49% by Shougang GDC Media
"Proposed Disposal"	the proposed disposal of the Disposal Equipments by Shenzhen IDMT to China Film
"RMB"	Renminbi, the lawful currency of the PRC
"Shenzhen IDMT"	環球數碼媒體科技研究（深圳）有限公司 (Institute of Digital Media Technology (Shenzhen) Limited), a wholly foreign owned enterprise established in the PRC and a wholly-owned subsidiary of GDC
"Shougang GDC Media"	Shougang GDC Media Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of GDC
"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
"Supplemental Agreement"	the supplemental agreement to the joint venture contract of the PRC Media JV entered into on 22 September 2008 between China Film and Shougang GDC Media
"%"	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

13 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 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 directors of GDC (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 websites of Shougang Grand and GDC at http://www.shougang-grand.com.hk and http://www.gdc-world.com respectively.

* *For identification purpose only*