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)

DISCLOSEABLE TRANSACTION IN RELATION TO ENTERING INTO OF THE CONSTRUCTION CONTRACT FOR THE REDEVELOPMENT OF PHASE I OF THE PEARL RIVER FILM CULTURAL PARK

The Board announces that on 10 January 2011, Pearl River Film Production and Guangdong Shishang, a non-wholly owned subsidiary of the Company, entered into the Construction Contract with the Contractor pursuant to which the Contractor agreed to carry out the construction work for the redevelopment of Phase I of the Pearl River Film Cultural Park at an aggregate consideration of approximately RMB78.17 million (equivalent to approximately HK$91.96 million).

As the applicable percentage ratios in respect of the Construction Contract exceed 5% but are less than 25%, the Construction Contract constitutes a discloseable transaction for the Company pursuant to Chapter 19 of the GEM Listing Rules. The Construction Contract is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 30 March 2010 (the "**Announcement**") in relation to the acquisition by the Company of a 68% equity interest in the registered capital of Guangdong Shishang. As disclosed in the Announcement, Guangdong Shishang has entered into a framework agreement with Pearl River Film Production to jointly redevelop the Pearl River Film Cultural Park and Guangdong Shishang will obtain the leasing right of the redeveloped Pearl River Film Cultural Park for a term up to 31 December 2045.

THE CONSTRUCTION CONTRACT

Date: 10 January 2011

Parties:

(1) Pearl River Film Production;
(2) Guangdong Shishang; and
(3) the Contractor.

The Contractor is a company established in the PRC and is principally engaged in the construction business.

As at the date of this announcement, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Contractor and its ultimate beneficial owners and their respective associates are third parties independent of the Company and its connected persons, and as far as the Company is aware, the Contractor is also independent of the Pearl River Film Production and its connected persons.

The Company and the Contractor and their respective associates have not entered into any transaction of a similar nature in the past 12 months prior to the date of this announcement that would need to be aggregated with the transactions contemplated under the Construction Contract pursuant to Rule 19.22 of the GEM Listing Rules.

Subject matter

Pursuant to the Construction Contract, the Contractor will carry out construction work for the redevelopment of Phase I of the Pearl River Film Cultural Park, which will involve the redevelopment and construction of buildings with an aggregate gross floor area of approximately 23,440 square meters. The construction work is expected to be completed on or before 30 May 2011.

Consideration and payment terms

The aggregate consideration for the Construction Contract is approximately RMB78.17 million (equivalent to approximately HK$91.96 million), which was determined through a tendering process.

The consideration of the Construction Contract is payable in instalments in line with the progress of the construction and will be satisfied by the Group through its internal resources.

REASON FOR THE TRANSACTION

As previously disclosed, Guangdong Shishang has entered into a framework agreement with Pearl River Film Production to jointly redevelop the Pearl River Film Cultural Park. Pursuant to the terms of the framework agreement, Guangdong Shishang will be responsible for the costs of the redevelopment of the Pearl River Film Cultural Park which in turn will obtain the leasing right of the redeveloped Pearl River Film Cultural Park for a term up to 31 December 2045.

The Pearl River Film Cultural Park is located at No. 352 and 354, Xin Gang Zhong Road, Guangzhou, the PRC and the present land use right is owned by Pearl River Film Production. It is currently intended that the redevelopment plan of the Pearl River Film Cultural Park will comprise the redevelopment of certain existing structures and buildings of Pearl River Film Production into an area for catering and recreational uses, and the construction of a multi-purposes commercial complex and office building.

The Directors consider that the acquisition of Guangdong Shishang provided an opportunity for the Group to participate in the media entertainment and property development business in the PRC. Given the economic growth in the PRC and the rapid development of its retail and recreation market, the Directors are of the view that the redevelopment of the Pearl River Film Cultural Park provides a good opportunity for the Group to tap into this fast developing sector, as the market is expected to continuous to strong growth in line with the growth in the PRC economy.

The terms of the Construction Contract are determined after arm's length negotiations between the parties therein and are in the ordinary and normal course of business. The Directors (including the Independent non-executive Directors) believe that terms of the Construction Contract are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The Group is principally engaged in computer graphic creation and production, digital content distribution and exhibitions, deployment of digital cinema network in Asia, computer graphic training and cultural park.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios in respect of the Construction Contract exceed 5% but are less than 25%, the Construction Contract constitutes a discloseable transaction for the Company pursuant to Chapter 19 of the GEM Listing Rules. The Construction Contract is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Board"	board of Directors of the Company
"connected person(s)"	has the meanings ascribed to it under the GEM Listing Rules
"Construction Contract"	the construction contract dated 10 January 2011 entered into among Pearl River Film Production, Guangdong Shishang and the Contractor in relation to the redevelopment of Phase I of the Pearl River Film Cultural Park
"Contractor"	廣東省南興建築工程有限公司(Guangdong Province Nanxin Construction Engineering Co., Ltd.*), a company established in the PRC, an independent third party which is principally engaged in the construction business
"Company"	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability whose securities are listed on GEM
"Director(s)"	director(s) of the Company
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM and any amendments thereto
"Group"	the Company and its subsidiaries
"Guangdong Shishang"	廣東時尚置業有限公司 (Guangdong Shishang Zhiye Investment Co., Ltd.*), a limited liability company established in the PRC and an indirect 68% owned subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Pearl River Film Cultural Park"	珠影文化產業園 (Pearl River Film Cultural Park*)
"Pearl River Film Production"	珠江電影製片有限公司 (Pearl River Film Production Company Limited*), a limited liability company established in the PRC, an independent third party
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

For illustration purposes, amounts in RMB in this announcement have been translated into HK$ at RMB0.85 = HK$1. No representation is made that any amounts in HK$ or foreign currencies could have been or could be converted at the relevant rate or at any other rate at all.

By Order of the Board
GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED
Li Shaofeng
Chairman

Hong Kong, 11 January 2011

As at the date of this announcement, the Board comprises Mr. Li Shaofeng (Chairman and Executive Director), Mr. Chen Zheng (Managing Director and Executive Director), Mr. Jin Guo Ping (Deputy Managing Director and Executive Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Kwong Che Keung, Gordon (Independent non-executive Director), Mr. Hui Hung, Stephen (Independent non-executive Director) and Prof. Japhet Sebastian Law (Independent non-executive Director).

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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

* *For identification purpose only*