

**GLOBAL DIGITAL CREATIONS HOLDINGS LTD:
THE QUESTION: HOW LONG WILL THE SHOUGANG GROUP
CONTINUE TO FINANCE THIS LOSER ?**

A squabble has broken out between a former Independent Financial Adviser of publicly listed [Global Digital Creations Holdings Ltd](#) (Code: 8271, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) and the company over the seemingly insignificant matter of the sum of just \$HK82,500.

In view of the controlling shareholder of Global Digital Creations, being among the strongest financial group of companies in the People's Republic of China (PRC), one has to wonder whether or not there is more to this little squabble than meets the eye.

First Shanghai Capital Ltd, a company, incorporated in the Hongkong Special Administrative Region (HKSAR) of the PRC and being in the business of providing financial services as an Independent Financial Adviser to companies of the territory, has issued Legal Proceedings in the HKSAR District Court, naming Global Digital Creations as the lone Defendant.

It is alleged, at Paragraph 4 of the Statement of Claim, attached to District Court Writ of Summons Number 4026, that there was a purported agreement, executed on November 22, 2004, whereby *'the Plaintiff agreed to act as the independent financial adviser to the independent board committee of the Defendant (Global Digital Creations) in relation to a voluntary conditional share exchange offer by DBS Asia Capital Limited on behalf of Upper Nice Assets Limited to acquire all the issued shares of, and a voluntary conditional cash offer to cancel all outstanding options of the Defendant (the "Offers") and to provide services in relation to the Offers to the Defendant in consideration of the Defendant agreeing to pay the Plaintiff a service fees in the sum of HK\$150,000.'*

Paragraph 5 lists the alleged duties of First Shanghai Capital:

1. To advise the Independent Board Committee on the merits of the Offer by Upper Nice Assets Ltd;
2. To prepare a Letter of Recommendation to be incorporated into the Offer Document in respect of the Offer by Upper Nice Assets Ltd;
3. To seek clearance from The Stock Exchange of Hongkong Ltd and The Securities and Futures Commission with regard to the Letter of Recommendation; and,
4. To prepare submissions to The Stock Exchange of Hongkong Ltd and The Securities and Futures Commission in connection with the Letter of Recommendation and to answer any questions, raised by The Stock Exchange of Hongkong Ltd and/or The Securities and Futures Commission.

The purported agreement between First Shanghai Capital and Global Digital Creations called for \$HK70,000 to be paid by Global Digital Creations on the signing of the November 22, 2004-Agreement, with the balance of \$HK80,000 to be paid upon the dispatch of the Offer Document of Upper Nice Assets Ltd.

Having, allegedly, performed its duties as agreed, First Shanghai Capital claims that it never received the balance of \$HK80,000 plus out-of-pocket expenses in the amount of \$HK2,500.

And, having, allegedly, sent 4 separate written demands to Global Digital Creations, First Shanghai Capital has sought redress at the District Court level of the HKSAR.

The alleged appointment of First Shanghai Capital as an Independent Financial Adviser to Global Digital Creations was just prior to Upper Nice Assets Ltd, a wholly owned subsidiary of Shougang Concord Grand (Group) Ltd (Code: 730, Main Board, The Stock Exchange of Hongkong Ltd), making what amounted to a takeover bid for Global Digital Creations Holdings Ltd.

Upper Nice Assets ... [CLICK TO ORDER FULL ARTICLE](#)

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