



環球數碼

**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)

**FIRST QUARTERLY RESULTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2022**

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\* For identification purpose only

## FIRST QUARTERLY RESULTS

The board of Directors of the Company (the “Board”) hereby announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2022 with comparative figures for the corresponding period in the year 2021.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2022

		Three months ended	
		31 March	
	Note	2022	2021
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<b>Continuing operations</b>			
Revenue	3	16,050	17,436
Cost of sales		<u>(8,772)</u>	<u>(7,825)</u>
<b>Gross profit</b>		7,278	9,611
Other income	4	3,204	3,139
Distribution and selling expenses		(1,014)	(332)
Administrative expenses		(8,752)	(9,893)
Other gains/(losses), net	5	<u>1</u>	<u>(41)</u>
<b>Operating profit</b>		717	2,484
Finance cost		<u>(7)</u>	<u>(4)</u>
<b>Profit before income tax</b>		710	2,480
Income tax expense	6	<u>(600)</u>	<u>(740)</u>
<b>Profit for the period from continuing operations</b>		<u>110</u>	<u>1,740</u>
<b>Discontinued operation</b>			
Loss for the period	7	<u>(2,497)</u>	<u>(7,519)</u>
<b>Loss for the period</b>		<u>(2,387)</u>	<u>(5,779)</u>
Other comprehensive income/(loss):			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation to presentation currency		<u>2,520</u>	<u>(748)</u>
<b>Total comprehensive income/(loss) for the period</b>		<u><u>133</u></u>	<u><u>(6,527)</u></u>

		<b>Three months ended</b>	
		<b>31 March</b>	
		<b>2022</b>	<b>2021</b>
<i>Note</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit/(loss) for the period attributable to:</b>			
– Owners of the Company:			
	– Continuing operations	110	1,740
	– Discontinued operation	(1,698)	(5,113)
		<u>110</u>	<u>1,740</u>
		(1,698)	(5,113)
		<u>(1,588)</u>	<u>(3,373)</u>
– Non-controlling interests:			
	– Continuing operations	–	–
	– Discontinued operation	(799)	(2,406)
		<u>–</u>	<u>–</u>
		(799)	(2,406)
		<u>(799)</u>	<u>(2,406)</u>
		<u>(2,387)</u>	<u>(5,779)</u>
<b>Total comprehensive income/(loss)</b>			
<b>for the period attributable to:</b>			
– Owners of the Company:			
	– Continuing operations	5,912	(64)
	– Discontinued operation	(3,932)	(4,395)
		<u>5,912</u>	<u>(64)</u>
		(3,932)	(4,395)
		<u>1,980</u>	<u>(4,459)</u>
– Non-controlling interests:			
	– Continuing operations	3	–
	– Discontinued operation	(1,850)	(2,068)
		<u>3</u>	<u>–</u>
		(1,850)	(2,068)
		<u>(1,847)</u>	<u>(2,068)</u>
		<u>133</u>	<u>(6,527)</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Earnings/(loss) per share attributable to</b>			
<b>the owners of the Company:</b>			
Basic and diluted earnings/(loss) per share		8	
	– Continuing operations	0.01	0.12
	– Discontinued operation	(0.11)	(0.34)
		<u>0.01</u>	<u>0.12</u>
		(0.11)	(0.34)
		<u>(0.10)</u>	<u>(0.22)</u>

## NOTES:

### 1. BASIS OF PREPARATION

The unaudited condensed consolidated statement of comprehensive income has been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

### 2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated statement of comprehensive income has been prepared on the historical cost basis except for an investment property which is measured at fair value.

The accounting policies and methods of computation used in the unaudited condensed consolidated statement of comprehensive income for the three months ended 31 March 2022 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021, except for the estimation of income taxes which are accrued using the tax rate that would be applicable to the expected total annual earnings.

In the current period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the financial year beginning on 1 January 2022. The application of the amendments to HKFRSs in the current period had no material effect on the unaudited condensed consolidated statement of comprehensive income.

### 3. REVENUE

An analysis of the Group's revenue from continuing operations is as follows:

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from computer graphic ("CG") production	<b>1,735</b>	1,425
Revenue from original television series and movies	<b>316</b>	546
Management service fee	<b>3,039</b>	3,196
Rental income	<b>10,960</b>	12,269
	<hr/>	<hr/>
	<b>16,050</b>	17,436
	<hr/> <hr/>	<hr/> <hr/>

#### 4. OTHER INCOME

	Three months ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>Continuing operations</b>		
Interest income	2,357	1,781
Government grants	784	1,279
Others	63	79
	<u>3,204</u>	<u>3,139</u>

#### 5. OTHER GAINS/(LOSSES), NET

	Three months ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>Continuing operations</b>		
Exchange gain/(loss)	1	(41)
	<u>1</u>	<u>(41)</u>

#### 6. INCOME TAX EXPENSE

	Three months ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>Continuing operations</b>		
PRC Corporate Income Tax ("CIT"):		
Current tax	1,015	(286)
Deferred income tax	(1,615)	(454)
	<u>(600)</u>	<u>(740)</u>
Income tax expense	<u>(600)</u>	<u>(740)</u>

Notes:

- a. No Hong Kong profits tax has been provided as there is no assessable profit arising in Hong Kong for the three months ended 31 March 2022 and 2021.
- b. The PRC CIT represents taxation charged on assessable profits for the period at the rates of taxation prevailing in the cities in the Mainland China (“Mainland China”, for the purpose of this announcement, refers to the mainland of the People’s Republic of China (the “PRC”) and does not include Hong Kong, Macau and Taiwan), in which the Group operates. The tax rate applicable to the subsidiaries in the Mainland China is 25%, except for two subsidiaries (three months ended 31 March 2021: two subsidiaries) of the Group in the Mainland China which were approved as High and New Technology Enterprise and accordingly, it is subject to a reduced preferential CIT rate of 15% for a 3-year period according to the applicable CIT Law.

## 7. DISCONTINUED OPERATION

In prior years, the Group was involved in the investment and operation of the Cultural Park through a non-wholly owned subsidiary of the Group. As a result of the full impairment of the investment property of Phase I of 珠影文化產業園, the Cultural Park operation was classified as discontinued operation with effect from 1 December 2018. Certain costs continued to be incurred during the three months ended 31 March 2022 and 2021 as the matters set out in “MANAGEMENT DISCUSSION AND ANALYSIS – LITIGATIONS” remain unsolved.

The results of the discontinued operation for the three months ended 31 March 2022 and 2021 were as follows:

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Other income	<b>1</b>	133
Administrative expenses	<b>(432)</b>	(5,815)
Rental and settlement expenses	<b>(2,066)</b>	(1,837)
	<hr/>	<hr/>
Loss before income tax	<b>(2,497)</b>	(7,519)
Income tax expense	<b>–</b>	–
	<hr/>	<hr/>
Loss for the period from discontinued operation	<b>(2,497)</b>	(7,519)
	<hr/> <hr/>	<hr/> <hr/>

## 8. EARNINGS/(LOSS) PER SHARE

	<b>Three months ended 31 March</b>	
	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit/(loss) attributable to owners of the Company		
– Continuing operations	<b>110</b>	1,740
– Discontinued operation	<b>(1,698)</b>	(5,113)
	<u><b>(1,588)</b></u>	<u>(3,373)</u>
	<u><b>(1,588)</b></u>	<u>(3,373)</u>
	<b>Three months ended 31 March</b>	
	<b>2022</b>	2021
	<i>No. of shares</i>	<i>No. of shares</i>
	<i>'000</i>	<i>'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Weighted average number of ordinary shares in issue	<b>1,508,262</b>	1,510,036
	<u><b>1,508,262</b></u>	<u>1,510,036</u>
	<u><b>1,508,262</b></u>	<u>1,510,036</u>
	<b>Three months ended 31 March</b>	
	<b>2022</b>	2021
	<i>HK cents</i>	<i>HK cents</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Basic and diluted earnings/(loss) per share		
– Continuing operations	<b>0.01</b>	0.12
– Discontinued operation	<b>(0.11)</b>	(0.34)
	<u><b>(0.11)</b></u>	<u>(0.34)</u>
	<u><b>(0.11)</b></u>	<u>(0.34)</u>
Total basic and diluted loss per share	<b>(0.10)</b>	(0.22)
	<u><b>(0.10)</b></u>	<u>(0.22)</u>
	<u><b>(0.10)</b></u>	<u>(0.22)</u>

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during both periods excluding ordinary shares repurchased by the Company.

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during the three months ended 31 March 2022 and 2021.

9. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company											
	Share capital <i>HKS'000</i>	Share premium reserve <i>HKS'000</i>	Capital contribution reserve <i>HKS'000</i>	Contributed surplus reserve <i>HKS'000</i>	Statutory reserve <i>HKS'000</i>	Property revaluation reserve <i>HKS'000</i>	Exchange reserve <i>HKS'000</i>	Special reserve <i>HKS'000</i>	Retained earnings <i>HKS'000</i>	Sub-total <i>HKS'000</i>	Non-controlling interest <i>HKS'000</i>	Total <i>HKS'000</i>
At 1 January 2022 (audited)	15,083	74,941	445	245,881	11,061	45,787	8,847	17,860	86,591	506,496	(142,681)	363,815
<b>Comprehensive loss</b>												
Loss for the period	-	-	-	-	-	-	-	-	(1,588)	(1,588)	(799)	(2,387)
<b>Other comprehensive income/(loss)</b>												
Currency translation differences	-	-	-	-	-	-	3,568	-	-	3,568	(1,048)	2,520
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	3,568	-	-	3,568	(1,048)	2,520
<b>Total comprehensive income/(loss) for the period</b>												
	-	-	-	-	-	-	3,568	-	(1,588)	1,980	(1,847)	133
At 31 March 2022 (unaudited)	15,083	74,941	445	245,881	11,061	45,787	12,415	17,860	85,003	508,476	(144,528)	363,948

Attributable to owners of the Company

	Share capital HK\$'000	Share premium reserve HK\$'000	Capital contribution reserve HK\$'000	Contributed surplus reserve HK\$'000	Statutory reserve HK\$'000	Property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Special reserve HK\$'000	Retained earnings HK\$'000	Sub-total HK\$'000	Non-controlling interest HK\$'000	Total HK\$'000
<b>At 1 January 2021 (audited)</b>	15,100	75,116	445	245,881	9,804	45,787	(5,192)	(1,953)	82,180	467,168	(134,068)	333,100
<b>Comprehensive loss</b>												
Loss for the period	-	-	-	-	-	-	-	-	(3,373)	(3,373)	(2,406)	(5,779)
<b>Other comprehensive (loss)/income</b>												
Currency translation differences	-	-	-	-	-	-	(1,086)	-	-	(1,086)	338	(748)
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	(1,086)	-	-	(1,086)	338	(748)
<b>Total comprehensive loss for the period</b>	-	-	-	-	-	-	(1,086)	-	(3,373)	(4,459)	(2,068)	(6,527)
<b>Transactions with owner</b>												
Partial disposal of equity interest in a PRC subsidiary	-	-	-	-	-	-	-	19,813	-	19,813	359	20,172
Total transactions with owner	-	-	-	-	-	-	-	19,813	-	19,813	359	20,172
<b>At 31 March 2021 (unaudited)</b>	15,100	75,116	445	245,881	9,804	45,787	(6,278)	17,860	78,807	482,522	(135,777)	346,745

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

For the three months ended 31 March 2022 (the “Review Period”), the revenue from the continuing operations amounted to HK\$16,050,000, representing a decrease of HK\$1,386,000 as compared with HK\$17,436,000 for the corresponding period of 2021. This was mainly because the rental and management fee income decreased by HK\$1,466,000 as compared to the corresponding period in the last year.

Cost of sales from the continuing operations for the Review Period amounted to HK\$8,772,000, representing an increase of HK\$947,000 as compared with HK\$7,825,000 for the corresponding period of 2021, which was mainly attributable to the increase in production outsourcing costs and staff costs.

Other income from the continuing operations for the Review Period amounted to HK\$3,204,000 (three months ended 31 March 2021: HK\$3,139,000), which was mainly attributable to the government grants of HK\$784,000 and interest income of HK\$2,357,000.

Distribution and selling expenses from the continuing operations for the Review Period amounted to HK\$1,014,000 (three months ended 31 March 2021: HK\$332,000), which was mainly attributable the commission expenses of leasing agency of Shenzhen building.

Administrative expenses from the continuing operations for the Review Period amounted to HK\$8,752,000, representing a decrease of HK\$1,141,000 as compared with HK\$9,893,000 for the corresponding period of 2021, which was mainly attributable to the decrease in staff costs.

Finance cost from the continuing operations for the Review Period amounted to HK\$7,000 (three months ended 31 March 2021: HK\$4,000). The Group does not have any loans and such finance cost for the period represented the interest element on lease liabilities.

Loss from the discontinued operation for the Review Period amounted to HK\$2,497,000, representing the loss decreased by HK\$5,022,000 as compared with HK\$7,519,000 for the corresponding period of 2021, which was mainly attributable to the decrease in litigation expenses and operating costs during the period.

Based on the above factors, the Group’s loss for the Review Period amounted to HK\$2,387,000. Such loss narrowed by HK\$3,392,000 as compared with HK\$5,779,000 for the corresponding period of 2021.

## BUSINESS REVIEW

### CG Creation and Production

The revenue of the CG creation and production division of the Group was mainly attributable to: (1) the income from production services of animated films, television series, games and digital virtual characters; (2) box office receipts of animated films; (3) licensing income of animated films and television series; and (4) licensing income derived from the animated IPs.

There are two animation films productions work in progress this quarter. One is the Yangtze River-themed animation film “Finless Porpoise: Dance in the Wind”\* (《江豚：風時舞》) (tentative name of the film), which is co-produced with Jiangxi Cultural Performance Group and Jiangxi Hukou Cultural Tourism Group. It is currently in the post-production stage. The Group is responsible for the creation, production and publicity of the entire film, which is scheduled to be released within the year. The other one is the ocean-themed animated film “Around the Earth in 80 Days”\* (《環遊地球80天》), which is currently in the preliminary story and art design development stage and is scheduled to be released in 2023.

With the rapid development of the Metaverse industry, the Group has accelerated the development of technologies and products for digital virtual characters. During the period, the Group successfully completed a virtual character online live broadcast program for Kiehl’s in Sanya, Hainan, realizing a large-scale interactive live broadcast between real people and virtual character. In addition, the Group and Tencent have jointly created a high-fidelity virtual character “Yuanxin”\* (元心), which utilized the voice self-driving function of the artificial intelligence laboratory of the Group’s suppliers/partners to closely link the virtual character’s voice, emotions and facial expressions, so that the overall naturalness can be closer to the real person. “Yuanxin” will be applied to financial scenario operation services.

The Group has newly established a game production center to undertake high-end game art production from leading game companies. By using the movie-level digital scene creation technology, the Group jointly create the snow virtual game “Ice and Snow Jumping Platform”\* (《冰雪大跳台》) with “Mini World”\* (迷你世界), the well-known domestic sandbox puzzle creative platform. The depth of snow sports was enhanced from the dimension of science and technology. It has created virtual reality scenario of world-renowned ski resorts, ski jumping platform and tracks, and promoted snow sports through interaction combining virtual and reality.

\* For identification purpose only

## **New Cultural and Sports Space**

GDC Building in Shenzhen continued to attract high-quality animated film and television, high technology and cultural and creative enterprises, which led to the use of digital vision as core and the extension to industrial ecosystems such as networks, games, virtual interactions and artificial intelligence. The Group utilized its self-developed cloud platform for cloud information processing to provide professional operation management services for the properties, continued to enhance the digital technology management system and improved ancillary facilities and services. Foshan Digital Animation Industry Base\* (佛山數碼動漫產業基地) has strived to build the “Digital Animation Incubation Base”\* (數字動漫孵化基地) and a base of “Live Streaming for Virtual Marketing”\* (虛擬人直播帶貨基地).

The preparation for the Chengdu Sports Park project\* (成都體育公園項目) is in full swing. The project is an innovative ecological sports park project with the philosophy of “Cultural IP + Technology + Sports”.

## **Research and Development**

The Group has first-mover advantage in the construction of Metaverse application technology, as well as possesses application and business experience in the areas such as digital virtual simulation and full-real digital scenario, and has formed software and hardware solutions of automatic control integrated system, highly accurate full-body motion capture, and artificial intelligence control, which can be applied to enterprise digital employees or virtual spokespersons and customized services for digital scenarios. The research and development team has completed the development of computer animated character and artificial intelligence engine driver interface, as well as optimized the production process and technics continuously. The Group has also continued to enhance the improvement and application of new technologies such as unreal game engine and real-time rendering for lightings, and has conducted continuous product marketization for its own IP – CG Aline cloud platform, an automated management system.

## **Government Awards**

As for government awards, “Journey to the Center of the Deep Ocean”\* (《地心遊記》), one of the ocean series, was awarded the “Copyright Golden Award” of the 10th Shenzhen Copyright Golden Award for its outstanding social and economic benefits. The ocean television series was awarded the “Chinese Classic Folktale Animation Creation Project Award”. “Soldier Shunliu”\* (《士兵順溜》) and “Wonder Land”\* (《奇幻樂園》) were awarded the “Award for Excellent Dubbing and Subtitling of Audio-Visual Program” by the National Radio and Television Administration.

\* For identification purpose only

## OUTLOOK

Animated film and television business will continue to develop multiple themes such as ocean exploration, Yangtze River stories, Chinese mythology and science fictions in the future. Self-production and co-production modes will both be adopted to produce one to two animated films every year. In terms of the undertaking and production of animated films business, the Group will continue to provide high-quality and stable production services. The Group will undertake the customization of digital virtual characters and form a platform business model to expand market shares.

Following the inception of Sports Park project in Chengdu\* (成都體育公園項目), the Group will embrace “Cultural IP + Technology + Sports” as core strategy, operate the new cultural and sports space with the concept of commercialization, and create an innovative ecological sports park, thereby redefining the city with culture. Meanwhile, the Group will also shape a product matrix focusing on “Cultural IP + Technology + Sports”, enhance the capability of replication, as well as continue to expand new projects.

## LITIGATIONS

Details of the business disputes between 廣東環球數碼創意產業有限公司 (“Guangdong GDC”), an indirect non-wholly owned subsidiary of the Company, and 珠江電影製片有限公司 (“Pearl River Film Production”) in respect of the Pearl River Film Cultural Park and litigations resulted therefrom were reported in the three preceding financial years. Updates are as follows:

1. In April 2019, Pearl River Film Production filed an action with the Intermediate People’s Court of Guangzhou City of Guangdong Province of the PRC (中國廣東省廣州市中級人民法院) (the “Guangzhou Intermediate People’s Court”), requiring Guangdong GDC to pay the property occupation fee of the Pearl River Film Cultural Park and related interest for the period between 23 March 2016 and 22 March 2019 in the amounts of RMB148,745,800 and RMB9,593,000, respectively.

On 30 December 2019, the decision for the trial of first instance was made by the Guangzhou Intermediate People’s Court that Guangdong GDC was required to pay the property occupation fee of the Pearl River Film Cultural Park and related interest for the period between 23 March 2016 and 11 September 2019 in the amounts of RMB41,656,989 and RMB3,813,331, respectively.

Each of Pearl River Film Production and Guangdong GDC filed an appeal with the Higher People’s Court of Guangdong Province of the PRC (中國廣東省高級人民法院) (the “Guangdong Higher People’s Court”). On 30 March 2021, a civil judgment from the Guangdong Higher People’s Court was made, the judgment from the Guangzhou Intermediate People’s Court was set aside and the case shall be returned to the Guangzhou Intermediate People’s Court for re-trial. As at the date of this announcement, no judgment in the first re-trial instance has been handed down.

\* For identification purpose only

2. In April 2019, Pearl River Film Production filed an action with the People’s Court of Haizhu District of Guangzhou City of the PRC (中國廣州市海珠區人民法院) (the “People’s Court of Haizhu District”), requiring Guangdong GDC and 廣州高尚商業經營管理有限公司 (“Gaoshang Property Management”), an indirect non-wholly owned subsidiary of the Company to pay the property occupation fee of the car park of the Pearl River Film Cultural Park in an amount of RMB26,457,900 for the period between 1 August 2015 and 21 June 2018 and related interest in the amount of RMB2,520,062 for the interest as of 27 March 2019.

On 30 April 2020, the decision for the trial of first instance was made by the People’s Court of Haizhu District that Guangdong GDC and Gaoshang Property Management were required to pay the property occupation fee of the car park of the Pearl River Film Cultural Park in the amount of RMB3,854,363 and related interest for the period between 1 August 2015 and 21 June 2018.

The Guangzhou Intermediate People’s Court made the final judgment on 27 September 2020 in which the original judgment was upheld. The judgment was enforced by both parties in November 2020 and the case proceedings were concluded.

On 8 March 2021 Pearl River Film Production has applied to the Guangdong Higher People’s Court for setting aside of the abovementioned final judgment, and initiated a re-trial of the legal proceedings. As at the date of this announcement, no judgment has been handed down for the re-trial.

3. In April 2021, Guangdong GDC initiated legal proceedings against Pearl River Film Production, claiming for: the (i) return of capital contribution invested in the construction for the Pearl River Film Cultural Park and the related interests in the amount of approximately RMB240,000,000 and RMB54,900,000, respectively; and (ii) compensation on losses of RMB20,000,000 borne by Guangdong GDC arising from the said investment due to breach of contract by Pearl River Film Production. The Guangzhou Intermediate People’s Court accepted the filing of such civil action. As at the date of this announcement, no judgment in the first instance has been handed down.

Should there be any significant update, the Company will make timely disclosure on the respective websites of the Stock Exchange and the Company.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: Nil).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (whether on the Stock Exchange or otherwise) during the three months ended 31 March 2022.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules throughout the three months ended 31 March 2022.

## **COMPLIANCE WITH CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors confirmed that they have complied with such code of conduct and the required standard of dealings regarding securities transactions by the Directors throughout the three months ended 31 March 2022.

## **AUDIT COMMITTEE**

The Group's first quarterly results for the three months ended 31 March 2022 were unaudited. The Company's audit committee together with the management have reviewed the unaudited first quarterly results of the Group for the three months ended 31 March 2022.

## **APPRECIATION**

On behalf of the Board, I would like to extend our sincere gratitude to our shareholders, business partners and clients for their utmost support to the Group. I would also like to take this opportunity to extend my gratitude and appreciations to management members and all of the staff for their hard work and dedication throughout the period.

By Order of the Board  
**Global Digital Creations Holdings Limited**  
**Xu Liang**  
*Chairman*

Hong Kong, 6 May 2022

*As at the date of this announcement, the Board comprises Mr. Xu Liang (Chairman), Mr. Wang Hongpeng (Managing Director) and Mr. Xiao Yong as Executive Directors; Mr. Chen Zheng (Deputy Chairman) as Non-executive Director; Prof. Japhet Sebastian Law, Mr. Lam Yiu Kin, Mr. Zheng Xiaodong and Mr. Li Yao as Independent Non-executive Directors.*

*This announcement will remain on the "Latest Listed Company Information" page of the GEM website at [www.hkgem.com](http://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](http://www.gdc-world.com).*