



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)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the “Directors”) of Global Digital Creations Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.

* For identification purpose only

FINAL RESULTS

The board of Directors of the Company (the “Board”) hereby announces the audited financial results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2021 with comparative figures for the year ended 31 December 2020.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
Continuing operations			
Revenue	2	84,689	78,635
Cost of sales		<u>(40,125)</u>	<u>(42,833)</u>
Gross profit		44,564	35,802
Other income	3	20,850	13,061
Distribution and selling expenses		(11,452)	(3,714)
Administrative expenses		(37,407)	(35,759)
Provision for impairment of financial assets and contract assets		(242)	(586)
Other gains, net	4	<u>6,032</u>	<u>1,757</u>
Operating profit		22,345	10,561
Finance cost	5	<u>(14)</u>	<u>(65)</u>
Profit before income tax		22,331	10,496
Income tax expense	6	<u>(6,368)</u>	<u>(2,389)</u>
Profit for the year from continuing operations		<u>15,963</u>	<u>8,107</u>
Discontinued operation			
Loss for the year	9	<u>(15,140)</u>	<u>(1,035)</u>
Profit for the year		<u>823</u>	<u>7,072</u>
Other comprehensive income:			
<i>Item that will not be reclassified to profit or loss:</i>			
– Exchange differences on translation to presentation currency		<u>9,912</u>	<u>18,044</u>
Other comprehensive income for the year		<u><u>9,912</u></u>	<u><u>18,044</u></u>
Total comprehensive income for the year		<u><u>10,735</u></u>	<u><u>25,116</u></u>

	<i>Note</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit/(loss) for the year attributable to:			
– Owners of the Company			
– Continuing operations		15,963	8,107
– Discontinued operation		<u>(10,295)</u>	<u>(704)</u>
		5,668	7,403
– Non-controlling interests			
– Continuing operations		–	–
– Discontinued operation		<u>(4,845)</u>	<u>(331)</u>
		<u>(4,845)</u>	<u>(331)</u>
		823	7,072
Total comprehensive income/(loss) for the year attributable to:			
– Owners of the Company			
– Continuing operations		38,795	51,647
– Discontinued operation		<u>(19,088)</u>	<u>(18,041)</u>
		19,707	33,606
– Non-controlling interests			
– Discontinued operation		<u>(8,972)</u>	<u>(8,490)</u>
		<u>10,735</u>	<u>25,116</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings/(loss) per share attributable to the owners of the Company:			
7			
Basic and diluted earnings/(loss) per share			
– Continuing operations		1.06	0.54
– Discontinued operation		<u>(0.68)</u>	<u>(0.05)</u>
		<u>0.38</u>	<u>0.49</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		15,021	15,599
Right-of-use assets		10,857	10,110
Investment property		260,588	246,912
Interest in an associate		–	–
Movies and television programmes rights		1,196	11,606
Productions work in progress		19,074	5,345
Deposits		291	–
Total non-current assets		307,027	289,572
Current assets			
Contract assets		–	537
Trade receivables	10	9,578	10,178
Deposits, prepayments and other receivables		8,030	6,703
Restricted bank deposits		46,603	36,462
Cash and cash equivalents		318,845	306,850
Total current assets		383,056	360,730
Total assets		690,083	650,302
EQUITY			
Equity attributable to owners of the Company			
Share capital		15,083	15,100
Retained earnings		86,591	82,180
Other reserves		404,822	369,888
Total equity attributable to owners of the Company		506,496	467,168
Non-controlling interests		(142,681)	(134,068)
Total equity		363,815	333,100

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		492	50
Deferred government grants		–	190
Contact liabilities		2,221	1,982
Deferred income tax liabilities		<u>24,466</u>	<u>20,974</u>
Total non-current liabilities		<u>27,179</u>	<u>23,196</u>
Current liabilities			
Trade payables	<i>11</i>	–	108
Accruals and other payables	<i>11</i>	64,911	85,702
Provision for rental and settlement payables	<i>12</i>	222,949	196,570
Contract liabilities		673	3,501
Deferred government grants		195	548
Lease liabilities		690	447
Current income tax payable		<u>9,671</u>	<u>7,130</u>
Total current liabilities		<u>299,089</u>	<u>294,006</u>
Total liabilities		<u>326,268</u>	<u>317,202</u>
Total equity and liabilities		<u><u>690,083</u></u>	<u><u>650,302</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Attributable to owners of the Company				Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Sub-total HK\$'000		
Balance at 1 January 2020	15,177	342,671	76,461	434,309	(125,578)	308,731
Comprehensive income/(loss)						
Profit/(loss) for the year	–	–	7,403	7,403	(331)	7,072
Other comprehensive income/(loss)						
Currency translation differences	–	26,203	–	26,203	(8,159)	18,044
Other comprehensive income/(loss) for the year	–	26,203	–	26,203	(8,159)	18,044
Total comprehensive income/(loss) for the year	–	26,203	7,403	33,606	(8,490)	25,116
Transactions with owners						
Repurchase of treasury shares	–	(747)	–	(747)	–	(747)
Cancellation of treasury shares	(77)	77	–	–	–	–
Transfer to statutory reserve	–	1,684	(1,684)	–	–	–
Total transactions with owners	(77)	1,014	(1,684)	(747)	–	(747)
Balance at 31 December 2020	15,100	369,888	82,180	467,168	(134,068)	333,100
Balance at 1 January 2021	15,100	369,888	82,180	467,168	(134,068)	333,100
Comprehensive income/(loss)						
Profit/(loss) for the year	–	–	5,668	5,668	(4,845)	823
Other comprehensive income/(loss)						
Currency translation differences	–	14,039	–	14,039	(4,127)	9,912
Other comprehensive income/(loss) for the year	–	14,039	–	14,039	(4,127)	9,912
Total comprehensive income/(loss) for the year	–	14,039	5,668	19,707	(8,972)	10,735
Transactions with owners						
Partial disposal of equity interest in a subsidiary	–	19,813	–	19,813	359	20,172
Repurchase of treasury shares	–	(192)	–	(192)	–	(192)
Cancellation of treasury shares	(17)	17	–	–	–	–
Transfer to statutory reserve	–	1,257	(1,257)	–	–	–
Total transactions with owners	(17)	20,895	(1,257)	19,621	359	19,980
Balance at 31 December 2021	15,083	404,822	86,591	506,496	(142,681)	363,815

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property which are carried at fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

a. New and amended standards adopted by the Group

The Group has applied the following new and amended standards, improvements and interpretations for the first time for their annual reporting period commencing 1 January 2021:

HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions
HKAS 39, HKFRS 4, HKFRS 7 HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2

The standards and amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b. Impact of new standards, interpretations and amendments issued but not yet applied by the Group

The Group is still assessing what the impact of the new standards, interpretations and amendments will be in the periods of initial application. It is not yet in a position to state whether these new standards, interpretations and amendments will have a significant impact on the Group’s results of operations and financial position.

2 REVENUE AND SEGMENT INFORMATION

The chief operating decision maker (“CODM”) has been identified as the Executive Directors. The Executive Directors review the Group’s internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business from service perspective and assess the performance of the operating segments based on a measure of adjusted profit before income tax before unallocated income/expenses for the purpose of allocating resources and assessing performance. These reports are prepared on the same basis as the consolidated financial statements.

The management has identified two reportable segments based on the types of services, namely (i) computer graphic (“CG”) creation and production and (ii) new cultural space.

There were no material sales between the reportable segments for the year ended 31 December 2021 (2020: same).

	Year ended 31 December 2021		
	CG creation and production HK\$'000	New cultural space HK\$'000	Total HK\$'000
– Revenue from CG production	2,806	–	2,806
– Box office receipts	10,653	–	10,653
– Licensing income from television programmes and movies to online platforms	5,699	–	5,699
– Patent fee income from granting the right to access of trademarks	1,225	–	1,225
– Management service fee	–	16,057	16,057
– Rental income	–	48,249	48,249
	<hr/>	<hr/>	<hr/>
Total revenue from external customers	<u>20,383</u>	<u>64,306</u>	<u>84,689</u>
Segment results	(2,909)	44,753	41,844
Unallocated income			66
Unallocated expenses			<u>(19,579)</u>
Profit before income tax from continuing operations			<u>22,331</u>
	Year ended 31 December 2020		
	CG creation and production HK\$'000	New cultural space HK\$'000	Total HK\$'000
– Revenue from CG production	14,585	–	14,585
– Box office receipts	728	–	728
– Licensing income from television programmes and movies to online platforms	2,820	–	2,820
– Patent fee income from granting the right to access of trademarks	1,314	–	1,314
– Management service fee	–	13,440	13,440
– Rental income	–	45,748	45,748
	<hr/>	<hr/>	<hr/>
Total revenue from external customers	<u>19,447</u>	<u>59,188</u>	<u>78,635</u>
Segment results	(14,819)	42,696	27,877
Unallocated income			738
Unallocated expenses			<u>(18,119)</u>
Profit before income tax from continuing operations			<u>10,496</u>

The segment assets and liabilities as at 31 December 2021 and 2020 are as follows:

	Year ended 31 December 2021			
	CG creation and production <i>HK\$'000</i>	New cultural space <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>277,845</u>	<u>335,339</u>	<u>76,899</u>	<u>690,083</u>
Segment liabilities	<u>50,311</u>	<u>36,345</u>	<u>239,612</u>	<u>326,268</u>
Additions to non-current assets	<u>15,178</u>	<u>–</u>	<u>1,949</u>	<u>17,127</u>
	Year ended 31 December 2020			
	CG creation and production <i>HK\$'000</i>	New cultural space <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>279,997</u>	<u>285,657</u>	<u>84,648</u>	<u>650,302</u>
Segment liabilities	<u>50,427</u>	<u>54,586</u>	<u>212,189</u>	<u>317,202</u>
Additions to non-current assets	<u>9,750</u>	<u>21,080</u>	<u>88</u>	<u>30,918</u>

Geographical information

The following table shows revenue generated from the reportable segments by geographical area as according to the location of the customers:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
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)	83,902	78,541
Hong Kong	177	94
Others	610	–
	<u>84,689</u>	<u>78,635</u>

The following table shows non-current assets by geographical segment as according to the location where the assets are located:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Mainland China	304,860	288,460
Hong Kong	2,167	1,112
	<u>307,027</u>	<u>289,572</u>

Information about major customers

Revenue from customers contributing 10% or more of the total revenue of the Group are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Customer A	9,186	–
Customer B	–	9,925
Customer C	10,312	9,655
Customer D	<u>13,245</u>	<u>–</u>

3 OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Government grants (<i>Note</i>)	12,400	7,135
Interest income	8,225	5,709
Others	225	217
	<u>20,850</u>	<u>13,061</u>

Note:

During the year ended 31 December 2021, government grants included subsidies and awards of HK\$11,842,000 (2020: HK\$5,795,000) received from the relevant authorities in the PRC which are incentive payments to the Group whereby no future related cost is required or expected to be made.

In addition, an amount of HK\$558,000 (2020: HK\$824,000) is related to government grants on computer equipment acquisition which are amortised to the consolidated statement of comprehensive income during the year on a straight-line basis over the estimated useful life of the acquired assets.

During the year ended 31 December 2020, government grants of HK\$516,000 are grants from Employment Support Scheme (“ESS”) under Anti-Epidemic Fund, which is related to Coronavirus Disease 2019 (“COVID-19”). There are no unfulfilled conditions or other contingents attached to the grants.

4 OTHER GAINS, NET

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Gains on disposal of property, plant and equipment	95	34
Change in fair value of investment property	6,038	1,867
Exchange losses	(101)	(144)
	<u>6,032</u>	<u>1,757</u>

5 FINANCE COST

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Finance cost on lease liabilities	<u>(14)</u>	<u>(65)</u>

6 INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Continuing operations		
Current tax:		
– Hong Kong profits tax	–	–
– PRC corporate income tax	3,575	2,186
– Over provision for prior years	(19)	(20)
	<u>3,556</u>	<u>2,166</u>
Deferred income tax	<u>2,812</u>	<u>223</u>
Income tax expense	<u>6,368</u>	<u>2,389</u>

7 EARNINGS/(LOSS) PER SHARE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit/(loss) attributable to owners of the Company		
– Continuing operations	15,963	8,107
– Discontinued operation	(10,295)	(704)
	<u>5,668</u>	<u>7,403</u>

	2021	2020
	No. of	No. of
	shares	shares
	'000	'000
Weighted average number of ordinary shares in issue	<u>1,509,917</u>	<u>1,514,074</u>
	2021	2020
	HK cents	HK cents
Basic and diluted earnings/(loss) per share		
– Continuing operations	1.06	0.54
– Discontinued operation	<u>(0.68)</u>	<u>(0.05)</u>
Total basic and diluted earnings per share	<u>0.38</u>	<u>0.49</u>

Basic earnings/(loss) per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year 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 year (2020: same).

8 DIVIDENDS

No dividend is paid, declared or proposed during the years ended 31 December 2021 and 2020, and no dividend has been proposed since the end of the reporting period.

9 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 the Cultural Park as set out in Note 12, the Cultural Park operation was classified as discontinued operation since 1 December 2018. Certain costs continued to be incurred during the years ended 31 December 2020 and 2021 as the matters as set out in Note 12 remain unsolved.

Financial information relating to the discontinued operation for the year is set out below:

Cultural Park

	2021	2020
	HK\$'000	HK\$'000
Other income	843	113
Other losses, net	(3)	(4)
Administrative expenses	(9,198)	(8,804)
(Provision for)/reversal of provision for rental and settlement expenses	<u>(7,963)</u>	<u>7,662</u>
Loss before income tax	(16,321)	(1,033)
Income tax credit/(expenses)	<u>1,181</u>	<u>(2)</u>
Loss for the year from discontinued operation	<u>(15,140)</u>	<u>(1,035)</u>

10 TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables from contracts with customers	4,538	4,999
Rental receivables	<u>5,066</u>	<u>5,821</u>
	9,604	10,820
Less: Provision for impairment	<u>(26)</u>	<u>(642)</u>
	<u><u>9,578</u></u>	<u><u>10,178</u></u>

Except for rental receivables from tenants, which is due for settlement upon issuance of invoices, the Group generally grants a credit period ranging from 30 days to 120 days. The aging analysis of the gross trade receivables based on invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current to 90 days	8,246	10,166
91 to 180 days	1,358	12
Over 180 days	<u>–</u>	<u>642</u>
	<u><u>9,604</u></u>	<u><u>10,820</u></u>

The carrying amounts of trade receivables approximate their fair values and are dominated in Chinese Renminbi (“RMB”).

11 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

(i) Trade payables

The ageing analysis of the trade payables based on invoice date were as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current to 90 days	<u>–</u>	<u>108</u>

The carrying amounts of trade payables approximate their fair values and are denominated in RMB.

(ii) **Accruals and other payables**

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Receipt in advance (<i>Note</i>)	24,480	43,923
Accruals	4,050	4,355
Salary payable	11,204	9,770
Deposits	16,627	18,025
Construction cost payables	2,148	2,298
Other tax payables	73	243
Advance from leasees	395	135
Others	5,934	6,953
Total	64,911	85,702
Denominated in:		
– RMB	62,082	83,206
– HK\$	2,829	2,496
	64,911	85,702

The carrying amounts of accruals and other payables approximate their fair values.

Note:

On 17 December 2018, Institute of Digital Media Technology (Shenzhen) Limited* (環球數碼媒體科技研究(深圳)有限公司) (“IDMT Shenzhen”) and Foshan Global Digital Media Technology Co., Ltd.* (佛山環球數碼媒體科技有限公司) (“Foshan GDM”), both indirect wholly-owned subsidiaries of the Company, entered into a cooperation agreement (the “Cooperation Agreement”) with Foshan Xincai Property Development Co., Ltd.* (佛山信財置業開發有限公司) (“Foshan Xincai”) and Brilliant Link International Limited (信業國際有限公司) (“Brilliant Link”), both independent third parties.

Pursuant to the Cooperation Agreement, Foshan Xincai agreed to contribute a property located in Foshan to Foshan GDM as capital contribution in exchange for 10% equity interest in Foshan GDM while Brilliant Link agreed to contribute cash in the amount of RMB20,000,000 (equivalent to approximately HK\$24,480,000) to Foshan GDM in exchange for 5% equity interest in Foshan GDM. The full amount of the advance payment formed part of the cash consideration payable by Brilliant Link under the Cooperation Agreement.

During the year ended 31 December 2020, the legal title of the Property was transferred to Foshan GDM at its fair value of RMB19,000,000 (equivalent to approximately HK\$23,000,000) as at date of the transfer of legal title of the Property. The corresponding amount formed a part of the consideration by Foshan Xincai for the acquisition of 10% equity interest in Foshan GDM which the transaction was completed during the year ended 31 December 2021.

As at the date of this announcement, the transaction with Brilliant Link are yet to be completed as the transfers of the 5% equity interest in Foshan GDM to Brilliant Link has not been completed.

* *English entity name is for identification purpose only.*

12 PROVISION FOR RENTAL AND SETTLEMENT PAYABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Accrued rental and settlement payables and late payment surcharge (<i>Note</i>)	<u>222,949</u>	<u>196,570</u>

Note:

In prior years, the Group was involved in the investment and operation of the Cultural Park. The Cultural Park was a property project based on a framework agreement on 28 March 2007 (as supplemented on 3 April 2008) (the “Framework Agreement”) entered into by 廣東環球數碼創意產業有限公司 (“Guangdong GDC”), a non-wholly-owned subsidiary of the Company and 珠江電影製片有限公司 (“Pearl River Film Production”), a limited liability company established in the Mainland China and a state-owned enterprise, to redevelop the Cultural Park. Pursuant to the Framework Agreement, Pearl River Film Production, as the landlord of the Cultural Park, agreed to grant the property leasing right to Guangdong GDC, in return for predetermined monthly rental payments (the “Predetermined Rental”) from Guangdong GDC for a term up to 31 December 2045. Guangdong GDC is responsible for the design, financing, construction and operation of the Cultural Park and the funding of the entire construction project. Upon the expiration of the Framework Agreement, Guangdong GDC has to return all properties to Pearl River Film Production. After the redevelopment, the whole Cultural Park project will have a commercial area, a cultural entertainment area and a film production and development area, which was intended to be held for investment purpose.

On 11 April 2016, Pearl River Film Production as the plaintiff initiated legal proceedings against Guangdong GDC in respect of alleged breach of the Framework Agreement governing the lease and reconstruction of the Cultural Park (“2016 litigation”). On 11 October 2016, 中國廣東省廣州市中級人民法院 (the “Guangzhou Intermediate People’s Court”) declared that the Framework Agreement was terminated as of 22 March 2016. Accordingly, the Group had been providing for rental and settlement payables based on the actual rental amounts it received from the tenants as stipulated in the rental agreements entered between the Group and these tenants, the amounts of which were higher than the Predetermined Rental stipulated in the Framework Agreement with Pearl River Film Production.

In November 2018, Pearl River Film Production issued a formal demand letter which demanded Guangdong GDC to return the entire Cultural Park. On 1 December 2018, upon the lapse of the re-trial appeal period of 2016 litigation, the Group decided to derecognise the investment property and cease recognition of all revenue in relation to the operation of the Cultural Park. The Cultural Park operation was classified as discontinued operation since 1 December 2018.

In April 2019, Pearl River Film Production initiated three legal proceedings against Guangdong GDC (1) to require Guangdong GDC to return the entire Cultural Park (2) to claim for property occupation fee of the Cultural Park and related interests and (3) to claim for property occupation fee of certain parking spaces and related interests.

(1) Return of the Cultural Park

With respect to the return of the Cultural Park, a final judgement under civil case dated 8 February 2021 from Guangzhou Intermediate People's Court was received by the Group pursuant to which Guangdong GDC shall return the Cultural Park to Pearl River Film Production. On 27 April 2021, Guangdong GDC returned the Cultural Park to Pearl River Film Production and ceased to receive rentals from tenants since then.

(2) Property occupation fee of the Cultural Park

A civil judgement ("Civil Judgement 1") dated 30 December 2019 from the Guangzhou Intermediate People's Court was received by the Group pursuant to which Guangdong GDC shall pay property occupation fee and related interest for the period from 23 March 2016 to 11 September 2019 of the Cultural Park determined on the basis that the property occupation fee shall be calculated based on the Predetermined Rental as stipulated in the Framework Agreement. Subsequently, Guangdong GDC and Pearl River Film Production both filed appeals with the Guangzhou Intermediate People's Court on 6 January 2020 and 14 January 2020, respectively on various matters about the Civil Judgement 1.

On 16 April 2021, a civil judgement ("Civil Judgement 2") from the 中國廣東省高級人民法院 (the "Guangdong Higher People's Court") dated 30 March 2021 was received by Guangdong GDC that the judgement 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. Up to date of this report, no further court's judgement has been received by the Group.

(3) Parking space

With respect to the parking space that was governed by a separate agreement dated 1 August 2012, occupation fee of RMB4.6 million had been paid to Pearl River Film Production as settlement and a court order from 海珠區人民法院 (the "People's Court of Haizhu District") was received on 19 November 2020, notifying Guangdong GDC the closure of this civil case. On 8 March 2021, Pearl River Film Production has initiated a re-trial to the Guangdong Higher People's Court. Up to date of this report, no further court's judgement has been received by the Group.

Management engaged an independent external lawyer to assist in assessing the magnitude and likelihood of occurrence for the possible outcomes of the litigation as of 31 December 2021 and 31 December 2020 based on the relevant information obtainable at the relevant stage of the litigation, including court decisions and related legal correspondence. Management also engaged an independent external valuer to assist in assessing the fair value of the economic benefits that could be derived from the Cultural Park during the periods in dispute.

Based on the magnitude and likelihood of occurrence for the possible outcomes of the current litigation status as advised by the legal advisors, and with reference to the valuation results from the external valuer, management determined that provision for rental and settlement payables in relation to the litigation amounting to HK\$222.9 million and HK\$196.6 million is required as at 31 December 2021 and 31 December 2020, respectively based on their best estimate.

As at 31 December 2021, restricted bank deposits of approximately HK\$46,603,000 (2020: HK\$36,462,000) were held at one bank account (2020: one) according to a court order granted to preserve bank account for litigation claims relating to the Cultural Park.

13 CONTINGENT LIABILITIES

As detailed in Note 12, the Group is subject to uncertainty regarding the final outcome of the litigation claim. Having considered the various possible outcomes of the current litigation status, management considered a provision for rental and settlement payables amounting to HK\$222,949,000 as at 31 December 2021 to be sufficient and not excessive.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2021 (2020: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2021 (the “Year”), revenue from the continuing operations for the Year amounted to HK\$84,689,000, representing an increase of HK\$6,054,000 as compared with HK\$78,635,000 for the corresponding period of 2020. Revenue of the new cultural space division increased by HK\$5,118,000 as compared to the corresponding period of last year, and revenue of the Computer Graphic (“CG”) creation and production division increased by HK\$936,000 as compared to the corresponding period of last year.

Cost of Sales

Cost of sales from the continuing operations for the Year amounted to HK\$40,125,000, representing a decrease of HK\$2,708,000 as compared with HK\$42,833,000 for the corresponding period of 2020, which was mainly attributable to the decrease in the outsourcing production cost for the CG production.

Other Income

Other income from the continuing operations for the Year amounted to HK\$20,850,000 (2020: HK\$13,061,000) was mainly from government grants of HK\$12,400,000 and interest income HK\$8,225,000.

Distribution and Selling Expenses

Distribution and selling expenses from the continuing operations for the Year amounted to HK\$11,452,000, representing an increase of HK\$7,738,000 as compared with HK\$3,714,000 for the corresponding period of 2020, which was mainly attributable to the increase in marketing expenses arising from distribution of an animated film.

Administrative Expenses

Administrative expenses from the continuing operations for the Year amounted to HK\$37,407,000, representing an increase of HK\$1,648,000 as compared with HK\$35,759,000 for the corresponding period of 2020, which was mainly attributable to the increase in staff costs.

Provision for Impairment of Financial Assets and Contract Assets

Provision for impairment of financial assets and contract assets from the continuing operations for the Year amounted to HK\$242,000 (2020: HK\$586,000), which was the provision for impairment of amount due from an associate.

Other Gains, Net

Other net gains from the continuing operations for the Year amounted to HK\$6,032,000 (2020: HK\$1,757,000), which was mainly from the increase of HK\$6,038,000 in change in fair value of investment property.

Finance Cost

Finance cost from continuing operations for the Year amounted to HK\$14,000 (2020: HK\$65,000). The Group does not have any loans, and the finance costs for the Year represented the interest expense on lease liabilities recognised in accordance with HKFRS 16.

Profit from Continuing Operations

Based on the above factors, profit from the continuing operations for the Year amounted to HK\$15,963,000, representing an increase of HK\$7,856,000 as compared with the profit of HK\$8,107,000 the corresponding period of 2020.

Loss from Discontinued Operation

Loss from discontinued operation for the Year amounted to HK\$15,140,000. Such loss increased by HK\$14,105,000 as compared with HK\$1,035,000 for the corresponding period of 2020, mainly due to: 1) the adjustment in provision for rental and settlement payables of HK\$13,931,000 (equivalent to RMB12,385,000) generated in relation to the litigations of the cultural park in 2020, while there was no similar adjustment for the Year, and 2) the payment of employee severance compensation for the Year.

Liquidity and Financial Resources

As at 31 December 2021, the Group had cash and cash equivalents of HK\$318,845,000 (2020: HK\$306,850,000), which were mainly denominated in Renminbi, United States dollars and Hong Kong dollars, and restricted bank deposits amounted to HK\$46,603,000 (2020: HK\$36,462,000).

As at 31 December 2021 and 2020, the Group had no borrowings or overdrafts. The Group's current ratio was 1.28 (2020: 1.23), which was calculated based on current assets of HK\$383,056,000 and current liabilities of HK\$299,089,000.

The Group adheres to the principle of prudent financial management and investment and strives to maintain healthy financial position.

Capital Structure

Equity attributable to owners of the Company amounted to HK\$506,496,000 as at 31 December 2021 (2020: HK\$467,168,000). The increase was mainly due to increase in special reserve of HK\$19,813,000 from the disposal of 10% equity interest in a subsidiary in Mainland China for the Year, the profit attributable to owners of the Company of HK\$5,668,000 and the exchange differences of HK\$14,039,000 on translation of financial statements attributable to owners of the Company from functional currency to presentation currency.

Material Acquisitions, Disposals and Significant Investment

The Group did not have any material acquisitions, disposals and significant investment during the year ended 31 December 2021.

Charge on Assets

As at 31 December 2021, there were no charges on any of the Group's assets for loans and bank facilities.

Foreign Exchange Exposure

Currently, the Group earns revenue mainly in Renminbi, and incurs costs mainly in Renminbi, Hong Kong dollars and United States dollars. The Directors believe that the Group's operational cash flow and liquidity do not have significant foreign exchange exposure, and thus has not implemented any foreign currency hedging policy at the moment. However, if necessary, the Group will consider using forward exchange contracts to hedge against foreign currency exposure. The closing Renminbi exchange rate as at 31 December 2021 was approximately 1.3% and 3.0% higher than average Renminbi exchange rate and the exchange rate as at the end of 2020, respectively, and such exchange differences led to an additional exchange gain of approximately HK\$9.91 million being recognised in the other comprehensive income upon translation of its net assets in the financial statements of operations in Mainland China of the Group for the Year. The above exchange rate fluctuations did not have any significant impact on the Group's financial position.

Contingent Liabilities

Save for note 13 to the consolidated financial statements, the Group had no significant contingent liabilities as at 31 December 2021.

Events Occurring after the Reporting Period

After another wave of outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2022, a series of precautionary and control measures have been and continued to be implemented across the region. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

Employees

As at 31 December 2021, the Group employed 194 (2020: 221) full time employees (other than employees of the Group’s associates). The Group remunerates its employees mainly with reference to the prevailing market practice, individual performance and experience. Other benefits, such as medical coverage, insurance plan, mandatory provident fund, discretionary bonus and employee share option scheme are also available to the employees of the Group.

For the year ended 31 December 2021, neither the Company nor its subsidiaries had paid or committed to pay any amount as an inducement to join or upon joining the Company and/or its subsidiaries to any individual.

BUSINESS REVIEW AND OUTLOOK

CG Creation and Production

The revenue of the CG creation and production division of the Group was mainly attributable to the incomes from production services of animated films, television series and digital virtual characters, box office receipts of original and co-produced animated films, authorizing the copyrights of animated films and television series as well as authorizing businesses derived from the Intellectual Property.

The production projects mainly came from the PRC. Our CG creation and production division undertook a series of projects produced with cutting-edge digital virtual character technology, including the 3D animation production of a digital virtual character, Ai Ling* (艾靈), digital scenes of reality Internet, the digital city of Metaverse, digital virtual staff, animated virtual idols, live streaming for virtual marketing conducted by virtual spokesperson, as well as the digital anchor of “Shunliu’s Talk on Party History”* (《順溜講黨史》).

An ocean-themed original animated film, “Journey to the Center of the Deep Ocean”* (《地心遊記》), produced with new characters and stories was officially released during the Dragon Boat Festival on 12 June. Notwithstanding that the box office receipts of the film were affected by the prevention and control measures against COVID-19 in Guangdong Province, it still ranked the first in the domestic animated film box office on the day of screening on 1 June, and was recommended by China Central Television and rewarded positive reviews. Another ocean-themed original animated film, “Around the World in 80 Days”* (《環遊地球80天》), is currently in the early stage of story writing and art design.

The Yangtze River-themed animated film “Finless Porpoise: Dance in the Wind”* (《江豚·風時舞》) co-producing with Jiangxi Cultural Performance Group* (江西省文演集團) and Jiangxi Hukou Cultural Tourism Group* (湖口文旅集團) is currently in production and distribution by the Group with strenuous efforts.

The authorization of the business derived from the IP of animation was rolled out during the year, creating a product line for touring exhibitions and launching products such as food for mothers and babies, apparel, entertainment, interactive experience, books and popular science education, which landed in more than ten first-tier cities. Currently, it focuses on expanding the authorization of apparel and food, and has developed fashion jewelry in Chinese style for young consumers. It has also created a series of tiger mascots in connection with the Year of the Tiger, and cooperated with toy manufacturers and video platforms to develop ocean-themed smart toys.

New Cultural Space

The revenue of the new cultural space division of the Group was mainly generated from rental and management fee income related to properties in various locations.

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 industries such as networks, games, virtual interactions and artificial intelligence. With the utilization of its self-developed digital technology cloud platform for cloud data and information processing to provide professional operation management services for the parks, it has continued to enhance the digital technology management system as well as to improve ancillary facilities and services. Foshan Digital Animation Industry Base* (佛山數碼動漫產業基地) has strived to be turned into 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), and it is making good progress.

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 operated by GDC with the philosophy of “Cultural IP + Technology + Sports”, redefining the city with culture and creating city landmark with technology. In addition, the Group has several projects under business negotiation in Chengdu. The sci-fi themed digital park project of Shougang Innovative Center* (首鋼創新中心) is also being actively conceived and planned, in order to create a new experience space for immersive online and offline experiences as well as integration between culture and technology.

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 of digital virtual simulation and full-real digital scenario, with which it has swiftly mapped its business layout in the digital virtual character industry. The Group has completed the development of computer animated character and artificial intelligence engine driver interface, as well as optimized the production process and technics. 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, a document automated management system.

In particular, as to digital virtual character technology, software and hardware solutions of semi-automatic control integrated system, highly accurate full-body motion capture, and artificial intelligence control have been designed to be applied to made-to-orders for digital staff, virtual spokespersons and digital scene customization. The related technology has received affirmative comments in the industry. Meanwhile, it plans to develop a digital virtual character IP asset matrix and a digital virtual character software-as-a-service (“SaaS”) platform available for free choice and customization to provide technical integration solutions in the areas such as live streaming for virtual marketing, financial services and local digital spokespersons. As to digital virtual characters and immersive technology in extended reality (“XR”), the Group is striving for in-depth cooperation with local and overseas leading companies in the fields of computing chips, wearable equipment, artificial intelligence and voice recognition technology to promote commercial applications.

Government Awards

As to government awards, it has been funded by the governments at all levels in Shenzhen and Nanshan District for various fields such as original animation, original research and development, corporate research and development investment, high-tech enterprise cultivation, and intellectual property rights. Besides, it was rewarded the honorary titles of Municipal Child-friendly Practice Base in Shenzhen* (深圳市市級兒童友好實踐基地), Green Channel Enterprise in Nanshan District, Shenzhen* (深圳市南山區綠色通道企業), and Child-friendly Practice Base in Nanshan District* (南山區兒童友好實踐基地).

As to works awards, it was rewarded various honors, including Annual Science Film and Television Nominee Award by China Association for Science and Technology* (中國科協年度科普影視提名獎), Excellence Award for Animation Feature Film of Dynamic Golden Sheep Support Program* (動感金羊扶持計劃優秀動畫長片獎), Excellence Award for Animation Brand Authorization* (優秀動漫品牌授權獎), the second runner up of the Radio and Television Award in Guangdong Province* (廣東省廣播影視獎三等獎), and the Jury Special Award of the Shenzhen Youth Video Festival (深圳青年影像節評委會特別獎).

OUTLOOK

The Group will make substantial investment in the industrial chain related to the Metaverse. The Metaverse combined cutting-edge technologies from multi-disciplinary, is the next-generation Internet with virtual-real symbiosis, and is the digital embodiment of the future social economy and cultural civilization. The Group will be seizing the development opportunities from the Metaverse and the cutting-edge technology industries in the future, and will leverage its first-mover advantage in the virtual reality and the science fiction industries to target the Metaverse and mapping its business layout, extending from the production tools of digital virtual character to Virtual Reality digital assets and creating an ecology of user generated content, thus striving to become a marketization entity which is a Metaverse-related industry chain.

Animated film and television original business will continue to develop multiple theme series such as ocean exploration, Yangtze River stories, Chinese mythology and science fictions in the future. The undertaking and production business will further expand the animated films, web dramas, game promos and game animation production businesses, which provides high-quality and stable production services for first-tier enterprises.

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 value, operate the cultural new space with the concept of commercialization, and create an innovative ecological sports park, thereby redefining the city with culture and creating a city icon with technology. Meanwhile, the Group will also model a product matrix mainly on high-tech experience, high-tech operation and high-tech industry, enhance the capability of replication, as well as continue to expand new projects.

UPDATE ON LITIGATIONS

Details of the business disputes between 廣東環球數碼創意產業有限公司 (“Guangdong GDC”), a 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 珠影文化產業園 (the “Pearl River Film Cultural Park”) and litigations resulted therefrom were reported in the preceding financial year. Updates are as follows:

1. 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 to return the entire Pearl River Film Cultural Park and its facilities and related documents. On 24 September 2020, the decision for the trial of first instance made by the People’s Court of Haizhu District was in favour of Pearl River Film Production. On 8 February 2021, 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”) made the final judgment (the “Intermediate Court Civil Judgment”) in which the original judgment was upheld. In April 2021, both parties have executed the judgment.

In May 2021, Guangdong GDC has applied to 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”) for setting aside of the Intermediate Court Civil Judgment, initiated a re-trial of the legal proceedings. On 13 October 2021, the Company received a civil judgment (民事裁定書) (the “High Court Civil Judgment”) from the Guangdong Higher People’s Court, pursuant to which both of the re-trial petitions and the application to set aside the Intermediate Court Civil Judgment have been rejected. The High Court Civil Judgment is the final judgment.

It is important to note that, as the Group had already derecognised the Pearl River Film Cultural Park as an investment property of the Group since 1 December 2018, the Board does not consider the Intermediate Court Civil Judgment and High Court Civil Judgment to have any material impact on the financial position and cash flow of the Group.

2. In April 2019, Pearl River Film Production filed an action with 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 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.

3. In April 2019, Pearl River Film Production filed an action with 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, an indirect non-wholly owned subsidiary of the Company (“Gaoshang Property Management*”) 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.

4. In April 2021, Guangdong GDC has 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 has accepted the filing of such civil action. As at the date of this announcement, no judgment in the first instand 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.

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

During the year ended 31 December 2021, the Company repurchased its ordinary shares on the Stock Exchange as follows:

Month of the repurchases	Total number of ordinary shares repurchased	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate consideration paid <i>HK\$</i>
November 2021	262,000	0.110	0.104	27,520
December 2021	1,512,000	0.116	0.103	164,670
Total	1,774,000			192,190

During the year, all repurchased shares were cancelled and the issued share capital of the Company was reduced by the nominal value thereof. The purchases were made for the benefit of the Company’s shareholders with a view to enhancing the net value of the Company and its assets and/or its earnings per share of the Company.

Save as disclosed above, 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 year ended 31 December 2021.

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 year ended 31 December 2021.

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 year ended 31 December 2021.

AUDIT COMMITTEE

The Company's Audit Committee together with the auditor and the management of the Company have reviewed the final results of the Group for the year ended 31 December 2021.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ending 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "Annual General Meeting") will be held on Friday, 27 May 2022. The notice of the Annual General Meeting will be separately published in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 23 May 2022 to Friday, 27 May 2022, both dates inclusive, during which period, no transfer of shares will be registered. In order to qualify for attend and vote at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. (H.K. time) on Friday, 20 May 2022.

PUBLICATION OF 2021 FINAL RESULTS AND 2021 ANNUAL REPORT

The 2021 final results announcement of the Company is published on the GEM website (www.hkgem.com) and the Company's website (www.gdc-world.com). The 2021 annual report of the Company will be despatched to the shareholders of the Company and published on the above websites in due course.

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 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 year.

By Order of the Board
Xu Liang
Chairman

Hong Kong, 25 March 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 a Non-executive Director; and 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 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*