



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)

**INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**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.**

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\* For identification purpose only

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 JUNE 2022

		<b>(Unaudited)</b>		<b>(Unaudited)</b>	
		<b>Three months ended</b>		<b>Six months ended</b>	
		<b>30 June</b>		<b>30 June</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Continuing operations</b>					
Revenue	2	18,779	27,581	34,829	45,017
Cost of sales		(11,812)	(11,040)	(20,584)	(18,865)
<b>Gross profit</b>		<b>6,967</b>	16,541	<b>14,245</b>	26,152
Other income	3	4,999	2,315	8,203	5,454
Distribution and selling expenses		(746)	(9,893)	(1,760)	(10,225)
Administrative expenses		(9,126)	(9,893)	(17,878)	(19,786)
Reversal of provision for impairment of financial assets and contract asset		241	–	241	–
Other gains/(loss), net		34	(34)	35	(75)
<b>Operating profit/(loss)</b>		<b>2,369</b>	(964)	<b>3,086</b>	1,520
Finance cost		(6)	(1)	(13)	(5)
<b>Profit/(loss) before income tax</b>	4	<b>2,363</b>	(965)	<b>3,073</b>	1,515
Income tax (expense)/credit	5	(315)	43	(915)	(697)
<b>Profit/(loss) for the period from continuing operations</b>		<b>2,048</b>	(922)	<b>2,158</b>	818
<b>Discontinued operation</b>					
Loss for the period	8	(4,988)	(4,886)	(7,485)	(12,405)
<b>Loss for the period</b>		<b>(2,940)</b>	(5,808)	<b>(5,327)</b>	(11,587)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME** *(Continued)*  
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Other comprehensive loss:</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
– Exchange differences on translation to presentation currency	<u>(17,036)</u>	<u>4,418</u>	<u>(14,516)</u>	<u>3,670</u>
Other comprehensive loss for the period	<u><u>(17,036)</u></u>	<u><u>4,418</u></u>	<u><u>(14,516)</u></u>	<u><u>3,670</u></u>
<b>Total comprehensive loss for the period</b>	<b><u><u>(19,976)</u></u></b>	<b><u><u>(1,390)</u></u></b>	<b><u><u>(19,843)</u></u></b>	<b><u><u>(7,917)</u></u></b>
<b>Profit/(loss) for the period attributable to:</b>				
– Owners of the Company:				
– Continuing operations	<u>2,048</u>	<u>(922)</u>	<u>2,158</u>	<u>818</u>
– Discontinued operation	<u>(3,391)</u>	<u>(3,322)</u>	<u>(5,089)</u>	<u>(8,435)</u>
	<u>(1,343)</u>	<u>(4,244)</u>	<u>(2,931)</u>	<u>(7,617)</u>
– Non-controlling interests:				
– Continuing operations	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
– Discontinued operation	<u>(1,597)</u>	<u>(1,564)</u>	<u>(2,396)</u>	<u>(3,970)</u>
	<u><u>(1,597)</u></u>	<u><u>(1,564)</u></u>	<u><u>(2,396)</u></u>	<u><u>(3,970)</u></u>
	<b><u><u>(2,940)</u></u></b>	<b><u><u>(5,808)</u></u></b>	<b><u><u>(5,327)</u></u></b>	<b><u><u>(11,587)</u></u></b>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME** *(Continued)*  
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	<i>Note</i>	<b>(Unaudited)</b> <b>Three months ended</b> <b>30 June</b>		<b>(Unaudited)</b> <b>Six months ended</b> <b>30 June</b>	
		<b>2022</b> <b>HK\$'000</b>	<b>2021</b> <b>HK\$'000</b>	<b>2022</b> <b>HK\$'000</b>	<b>2021</b> <b>HK\$'000</b>
<b>Total comprehensive income/(loss)</b> <b>for the period attributable to:</b>					
– Owners of the Company:					
– Continuing operations		<b>(37,198)</b>	9,537	<b>(31,286)</b>	9,473
– Discontinued operation		<b>11,724</b>	(7,430)	<b>7,792</b>	(11,825)
		<b>(25,474)</b>	2,107	<b>(23,494)</b>	(2,352)
– Non-controlling interests:					
– Continuing operations		–	–	–	–
– Discontinued operation		<b>5,498</b>	(3,497)	<b>3,651</b>	(5,565)
		<b>5,498</b>	(3,497)	<b>3,651</b>	(5,565)
		<b>(19,976)</b>	(1,390)	<b>(19,843)</b>	(7,917)
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
<b>Earnings/(loss) per share attributable</b> <b>to the owners of the Company:</b>					
Basic and diluted earnings/(loss) per share					
– Continuing operations	6	<b>0.14</b>	(0.06)	<b>0.14</b>	0.05
– Discontinued operation	6	<b>(0.23)</b>	(0.22)	<b>(0.33)</b>	(0.56)
		<b>(0.09)</b>	(0.28)	<b>(0.19)</b>	(0.51)

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

		<b>30 June 2022</b>	31 December 2021
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		13,799	15,021
Right-of-use assets		9,941	10,857
Investment property		249,590	260,588
Interest in an associate		–	–
Movies and television programmes rights		–	1,196
Productions work in progress		31,113	19,074
Deposits		291	291
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>304,734</b>	<b>307,027</b>
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current assets</b>			
Contract assets		323	–
Trade receivables	9	10,819	9,578
Deposits, prepayments and other receivables		6,309	8,030
Restricted bank deposits	10	44,640	46,603
Cash and cash equivalents		293,686	318,845
		<hr/>	<hr/>
<b>Total current assets</b>		<b>355,777</b>	<b>383,056</b>
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total assets</b>		<b>660,511</b>	<b>690,083</b>
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<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		15,083	15,083
Retained earnings		83,660	86,591
Other reserves		384,259	404,822
		<hr/>	<hr/>
<b>Total equity attributable to owners of the Company</b>		<b>483,002</b>	<b>506,496</b>
Non-controlling interests		(139,030)	(142,681)
		<hr/>	<hr/>
<b>Total equity</b>		<b>343,972</b>	<b>363,815</b>
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION** *(Continued)*  
*AT 30 JUNE 2022*

		<b>30 June</b>	31 December
		<b>2022</b>	2021
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		141	492
Contract liabilities		2,132	2,221
Deferred tax liabilities		24,286	24,466
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>26,559</b>	<b>27,179</b>
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current liabilities</b>			
Accruals and other payables		62,273	64,911
Provision for rental and settlement payables	10	217,519	222,949
Contract liabilities		1,535	673
Deferred government grants		–	195
Lease liabilities		698	690
Current income tax payable		7,955	9,671
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>289,980</b>	<b>299,089</b>
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<b>Total liabilities</b>		<b>316,539</b>	<b>326,268</b>
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total equity and liabilities</b>		<b>660,511</b>	<b>690,083</b>
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# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Attributable to owners of the Company				Non-Controlling interests	Total
	Share capital	Other reserves	Retained earnings	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2022 (audited)	15,083	404,822	86,591	506,496	(142,681)	363,815
Loss for the period	–	–	(2,931)	(2,931)	(2,396)	(5,327)
<b>Other comprehensive (loss)/income</b>						
Currency translation differences	–	(20,563)	–	(20,563)	6,047	(14,516)
<b>Other comprehensive (loss)/income for the period</b>	–	(20,563)	–	(20,563)	6,047	(14,516)
<b>Total comprehensive (loss)/income for the period</b>	–	(20,563)	(2,931)	(23,494)	3,651	(19,843)
Balance at 30 June 2022 (unaudited)	15,083	384,259	83,660	483,002	(139,030)	343,972

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY** *(Continued)*  
**FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Attributable to owners of the Company				Non-Controlling interests	Total
	Share capital	Other reserves	Retained earnings	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 January 2021 (audited)</b>	15,100	369,888	82,180	467,168	(134,068)	333,100
Loss for the period	–	–	(7,617)	(7,617)	(3,970)	(11,587)
<b>Other comprehensive income/(loss)</b>						
Currency translation differences	–	5,265	–	5,265	(1,595)	3,670
Other comprehensive income/(loss) for the period	–	5,265	–	5,265	(1,595)	3,670
<b>Total comprehensive income/(loss) for the period</b>	–	5,265	(7,617)	(2,352)	(5,565)	(7,917)
<b>Transactions with owners</b>						
Partial disposal of equity interest in a subsidiary	–	19,813	–	19,813	359	20,172
<b>Total transactions with owners</b>	–	19,813	–	19,813	359	20,172
<b>Balance at 30 June 2021 (unaudited)</b>	15,100	394,966	74,563	484,629	(139,274)	345,355



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated interim financial information for the six months ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 ‘Interim financial reporting’ issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the GEM Listing Rules. This condensed consolidated interim financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing this condensed consolidated interim financial information.

The accounting policies applied are consistent with those of the annual consolidated 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 expected total annual earnings.

A number of new or amended HKFRSs became applicable for the current reporting period. The application of these new or amended HKFRSs did not have material effect on the amounts reported and/or disclosures set out in the condensed consolidated interim financial information.

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## 2 SEGMENT INFORMATION

The chief operating decision-maker (“CODM”) has been identified as the Executive Directors. The Executive Directors review the Group’s internal report 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 condensed consolidated interim financial information.

Management has renamed new cultural space to new cultural and sports space to align more closely with the Group’s development and internal reporting.

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

There were no material revenue transactions transacted between the reportable segments for the six months ended 30 June 2022 (six months ended 30 June 2021: Same).

	Three months ended 30 June 2022 (Unaudited)			Six months ended 30 June 2022 (Unaudited)		
	CG creation and production <i>HK\$'000</i>	New cultural and sports space (Formerly known as “New cultural space”) <i>HK\$'000</i>	Total <i>HK\$'000</i>	CG creation and production <i>HK\$'000</i>	New cultural and sports space (Formerly known as “New cultural space”) <i>HK\$'000</i>	Total <i>HK\$'000</i>
– Revenue from CG production	3,053	–	3,053	4,788	–	4,788
– Licensing income from television programmes and movies to online platform	311	–	311	347	–	347
– Patent fee income from granting the right to access of trademark	394	–	394	674	–	674
– Management service fee	–	3,249	3,249	–	6,288	6,288
– Consultancy fee income	–	451	451	–	451	451
– Rental income	–	11,321	11,321	–	22,281	22,281
Total revenue from external customers	<u>3,758</u>	<u>15,021</u>	<u>18,779</u>	<u>5,809</u>	<u>29,020</u>	<u>34,829</u>
Segment results	(2,833)	8,715	5,882	(5,486)	15,658	10,172
Unallocated income			138			150
Unallocated expenses			(3,657)			(7,249)
Profit before income tax from continuing operations			<u>2,363</u>			<u>3,073</u>
	Three months ended 30 June 2021 (Unaudited)			Six months ended 30 June 2021 (Unaudited)		
	CG creation and production <i>HK\$'000</i>	New cultural and sports space (Formerly known as “New cultural space”) <i>HK\$'000</i>	Total <i>HK\$'000</i>	CG creation and production <i>HK\$'000</i>	New cultural and sports space (Formerly known as “New cultural space”) <i>HK\$'000</i>	Total <i>HK\$'000</i>
– Revenue from CG production	1,041	–	1,041	2,466	–	2,466
– Box office receipts	10,423	–	10,423	10,423	–	10,423
– Licensing income from television programmes and movies to online platform	101	–	101	321	–	321
– Patent fee income from granting the right to access of trademark	553	–	553	879	–	879
– Management service fee	–	3,770	3,770	–	6,966	6,966
– Rental income	–	11,693	11,693	–	23,962	23,962
Total revenue from external customers	<u>12,118</u>	<u>15,463</u>	<u>27,581</u>	<u>14,089</u>	<u>30,928</u>	<u>45,017</u>
Segment results	(4,950)	8,515	3,565	(7,257)	17,920	10,663
Unallocated income			20			46
Unallocated expenses			(4,550)			(9,194)
(Loss)/profit before income tax from continuing operations			<u>(965)</u>			<u>1,515</u>

The segment assets and liabilities as at 30 June 2022 and 31 December 2021 are as follows:

	<b>As at 30 June 2022 (Unaudited)</b>			
	<b>CG creation and production <i>HK\$'000</i></b>	<b>New cultural and sports space (Formerly known as “New cultural space”) <i>HK\$'000</i></b>	<b>Unallocated <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Segment assets	<u>260,871</u>	<u>333,873</u>	<u>65,767</u>	<u>660,511</u>
Segment liabilities	<u>48,278</u>	<u>35,057</u>	<u>233,204</u>	<u>316,539</u>
	<b>As at 31 December 2021 (Audited)</b>			
	<b>CG creation and production <i>HK\$'000</i></b>	<b>New cultural and sports space (Formerly known as “New cultural space”) <i>HK\$'000</i></b>	<b>Unallocated <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
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>

During the six months ended 30 June 2022, the Group incurred approximately HK\$15,156,000, HK\$Nil and HK\$ Nil (for the six months ended 30 June 2021: HK\$4,849,000, HK\$1,294,000 and HK\$24,000) on addition to non-current assets in segments of CG creation and production, new cultural and sports space (formerly known as “new cultural space”) and unallocated respectively.

### 3 OTHER INCOME

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Government grants	<b>2,925</b>	272	<b>3,709</b>	1,551
Interest income	<b>2,032</b>	2,041	<b>4,389</b>	3,823
Others	<b>42</b>	2	<b>105</b>	80
	<b>4,999</b>	2,315	<b>8,203</b>	5,454

### 4 PROFIT BEFORE INCOME TAX

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit before income tax has been arrived at after charging:				
Employee benefit expenses	<b>12,299</b>	8,985	<b>21,731</b>	20,458
Amortisation of movies and television programmes rights	<b>1,201</b>	4,699	<b>1,804</b>	4,699
Provision for impairment of productions work in progress	<b>534</b>	–	<b>534</b>	–
Depreciation of property, plant and equipment	<b>397</b>	273	<b>727</b>	812
Deprecation of right-of-use assets	<b>256</b>	78	<b>515</b>	581

## 5 INCOME TAX (EXPENSE)/CREDIT

### Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% of the assessable profit for the six months ended 30 June 2022 and 2021.

No provision for Hong Kong profits tax has been made for the six months ended 30 June 2022 and 2021.

### PRC corporate income tax

Under the Law of the PRC on Corporate Income Tax (the “CIT Law”) and Implementation Regulation of the CIT Law, the tax rate of the subsidiaries in Mainland China (for the purpose of this announcement, “Mainland China” refers to the mainland of the People’s Republic of China (the “PRC”) and does not include Hong Kong, Macau and Taiwan) is 25%, except for two subsidiaries (six months ended 30 June 2021: same) 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, for the six months ended 30 June 2022 and 2021.

Provision for PRC corporate income tax amounted to HK\$915,000 has been made for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$697,000)

## 6 EARNINGS/(LOSS) PER SHARE

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit/(loss) attributable to owners of the Company				
– Continuing operations	<b>2,048</b>	(922)	<b>2,158</b>	818
– Discontinued operation	<b>(3,391)</b>	(3,322)	<b>(5,089)</b>	(8,435)
	<b>(1,343)</b>	(4,244)	<b>(2,931)</b>	(7,617)
	<b><u>1,508,262</u></b>	<b><u>1,510,036</u></b>	<b><u>1,508,262</u></b>	<b><u>1,510,036</u></b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue	<b>1,508,262</b>	1,510,036	<b>1,508,262</b>	1,510,036
	<b><u>1,508,262</u></b>	<b><u>1,510,036</u></b>	<b><u>1,508,262</u></b>	<b><u>1,510,036</u></b>

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Basic and diluted earnings/(loss) per share				
– Continuing operations	<b>0.14</b>	(0.06)	<b>0.14</b>	0.05
– Discontinued operation	<b>(0.23)</b>	(0.22)	<b>(0.33)</b>	(0.56)
Total basic and diluted earnings/(loss) per share	<b>(0.09)</b>	(0.28)	<b>(0.19)</b>	(0.51)

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 the period 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 six months ended 30 June 2022 (six months ended 30 June 2021: same).

## 7 DIVIDEND

The board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

## 8 DISCONTINUED OPERATION

As set out in Note 10, 珠影文化產業園 (the “Cultural Park”) operation was classified as discontinued operation since 1 December 2018. Certain costs continued to be incurred during the six months ended 30 June 2022 as the matters as set out in Note 10 remain unsolved.

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

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other income	<b>4</b>	208	<b>5</b>	340
Administrative expenses	<b>(2,968)</b>	(3,051)	<b>(3,400)</b>	(8,865)
Provision for rental and settlement expenses, net	<b>(2,024)</b>	(1,991)	<b>(4,090)</b>	(3,828)
Loss before income tax	<b>(4,988)</b>	(4,834)	<b>(7,485)</b>	(12,353)
Income tax expenses	<b>–</b>	(52)	<b>–</b>	(52)
Loss for the period from discontinued operation	<b>(4,988)</b>	(4,886)	<b>(7,485)</b>	(12,405)

## 9 TRADE RECEIVABLES

	As at 30 June 2022 <i>HK\$'000</i> (Unaudited)	As at 31 December 2021 <i>HK\$'000</i> (Audited)
Trade receivables from contracts with customers	4,304	4,538
Rental receivables	6,540	5,066
	<u>10,844</u>	<u>9,604</u>
Less: Provision for impairment	(25)	(26)
	<u><u>10,819</u></u>	<u><u>9,578</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:

	As at 30 June 2022 <i>HK\$'000</i> (Unaudited)	As at 31 December 2021 <i>HK\$'000</i> (Audited)
Current to 90 days	10,261	8,246
91 to 180 days	–	1,358
181 to 270 days	446	–
271 to 365 days	137	–
	<u>10,844</u>	<u>9,604</u>

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

## 10 PROVISION FOR RENTAL AND SETTLEMENT PAYABLES

	As at 30 June 2022 HK\$'000 (Unaudited)	As at 31 December 2021 HK\$'000 (Audited)
Accrued rental and settlement payables and late payment surcharge ( <i>Note</i> )	<u>217,519</u>	<u>222,949</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 announcement, 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 announcement, 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 30 June 2022 and 31 December 2021 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\$217.5 million and HK\$222.9 million is required as at 30 June 2022 and 31 December 2021, respectively based on their best estimate.

As at 30 June 2022, restricted bank deposits of approximately HK\$44,640,000 (31 December 2021: HK\$46,603,000) were held at one bank account according to a court order granted to preserve bank account for litigation claims relating to the Cultural Park.

## 11 CONTINGENT LIABILITIES

As detailed in Note 10, the Group is subject to uncertainty regarding the final outcome of the litigation claims. Having considered the various possible outcome of the litigations, management considered a provision for rental and settlement payables amounting to HK\$217.5 million as at 30 June 2022 to be sufficient and not excessive.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL REVIEW**

For the six months ended 30 June 2022 (the “Period”), loss attributable to owners of the Company recorded by the Group amounted to HK\$2,931,000, as compared with HK\$7,617,000 for the corresponding period of last year. Profit attributable to owners of the Company from the continuing operations for the Period amounted to HK\$2,158,000, representing an increase of HK\$1,340,000 as compared with the profit from the continuing operations of HK\$818,000 for the corresponding period of last year.

Revenue from the continuing operations for the Period amounted to HK\$34,829,000, representing a decrease of HK\$10,188,000 as compared with HK\$45,017,000 for the corresponding period of 2021, which was mainly attributable to the decrease of HK\$8,280,000 in revenue of the CG creation and production division. The Group has released an animated film in the second quarter of last year, while there was none for the Period, which led to the decrease of revenue from original projects. In addition, during the Period, the Group actively developed the production of the virtual characters business, which led to an increase of HK\$2,322,000 as compared with the revenue in the production business of CG for the corresponding period of last year.

Cost of sales from the continuing operations for the Period amounted to HK\$20,584,000, representing an increase of HK\$1,719,000 as compared with HK\$18,865,000 for the corresponding period of 2021, which was mainly attributable to the increase in direct staff costs.

Other income from the continuing operations for the Period amounted to HK\$8,203,000 (six months ended 30 June 2021: HK\$5,454,000) was mainly from interest income of HK\$4,389,000 and government grants of HK\$3,709,000.

Distribution and selling expenses from the continuing operations for the Period amounted to HK\$1,760,000, representing an decrease of HK\$8,465,000 as compared with HK\$10,225,000 for the corresponding period of 2021, which was mainly attributable to the decrease in marketing expenses arising from film distribution.

Administrative expenses from the continuing operations for the Period amounted to HK\$17,878,000, representing a decrease of HK\$1,908,000 as compared with HK\$19,786,000 for the corresponding period of last year, which was mainly attributable to the decrease in staff costs.

Finance costs from continuing operations for the Period amounted to HK\$13,000 (six months ended 30 June 2021: HK\$5,000). The Group does not have any loans and such finance costs for the Period arose from interest expense of the lease liabilities recognised under HKFRS 16.

Loss recorded from the discontinued operation for the Period amounted to HK\$7,485,000, representing the loss decreased by HK\$4,920,000 as compared with the loss recorded of HK\$12,405,000 for the corresponding period of last year, which was mainly attributable to the decrease in litigation expenses and operating costs for the Period.

## **Liquidity and Financial Resources**

As at 30 June 2022, the Group had cash and cash equivalents of HK\$293,686,000 (31 December 2021: HK\$318,845,000), which were mainly denominated in Renminbi and Hong Kong dollars, and restricted bank deposits amounted to HK\$44,640,000 (31 December 2021: HK\$46,603,000 (denominated in Renminbi, relevant changes only due to exchange rate fluctuations of Renminbi)).

As at 30 June 2022 and 31 December 2021, the Group had no borrowings or overdrafts. The Group's current ratio was 1.23 (31 December 2021: 1.28), which was calculated based on current assets of HK\$355,777,000 and current liabilities of HK\$289,980,000.

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\$483,002,000 as at 30 June 2022 (31 December 2021: HK\$506,496,000). The decrease was due to exchange differences of HK\$20,563,000 on translation of financial statements from functional currency to presentation currency and the loss attributable to owners of the Company of HK\$2,931,000.

## **Material Acquisitions, Disposals and Significant Investment**

The Group did not have any material acquisitions, disposals and significant investment during the six months ended 30 June 2022.

## **Charge on Assets**

As at 30 June 2022, there were no charges on any of the Group's assets for loans and bank facilities.

## **Foreign Exchange Exposure**

As at 30 June 2022, the Group had no significant exposure under foreign exchange. Currently, the Group earns revenue mainly in Renminbi, and incurs costs mainly in Renminbi and Hong Kong 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 use reasonable measures to hedge against foreign currency exposure. The closing Renminbi exchange rate as at 30 June 2022 was approximately 4.4% lower than the exchange rate as at the end of 2021, and such exchange differences led to an additional exchange loss of HK\$14,516,000 being recognised in the other comprehensive income upon translation of the financial statements from functional currency to presentation currency for the Period.

## **Contingent Liabilities**

Save for the disclosure in Note 11 to the condensed consolidated interim financial information, the Group had no significant contingent liabilities as at 30 June 2022.

## **Employees**

As at 30 June 2022, the Group employed 197 (31 December 2021: 194) 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, and discretionary bonus are also available to the employees of the Group. During the Period, 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 individuals.

## **BUSINESS REVIEW AND OUTLOOK**

### ***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.

In the first half of 2022, the recurrent COVID-19 pandemic had significant impact on industry and the region. In the first quarter, in response to the COVID-19 outbreak, the Chinese government took stringent prevention and control measures, which affected business operations. In the second quarter, the Group strived to expand its business and catch up with the progress with creative production.

There are two animation films productions work in progress in the first half of the year. 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 coproduced 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. The other one is the ocean-themed animated film “Around the Earth in 80 Days”\* (《環遊地球80天》) (tentative name of the film), which is currently in the pre-production and trailer making stage.

With the rapid development of the Metaverse industry, the Group has accelerated the development of its metaverse business centered around virtual characters. It independently developed Text to Sound automatic broadcast products and hyper-realistic virtual characters, which provides users with one-stop virtual streamer video production and independent editing services. With the product, customers only need to log in to the designated website without downloading applications, simply enter the manuscript, and select the designated AI streamer and background according to their preferences, and then the

\* For identifications propose only

production and output of the video can be done with one click. The Group undertook the production and management of “Qualcomm Snapdragon Virtual Idol”. It successfully completed the first CG promotional video and played it at the Qualcomm Snapdragon press conference. In addition, the Group collaborated with Tencent Cloud and Tencent AI Lab and created a high-fidelity virtual character “Yuanxin” \* (元心) based on financial scenario operation services. In cooperation with Bank of Beijing, Shanghai Pudong Development Bank, and Changsha Bank, the business segment also participated in customer business promotion through virtual character “Yuanxin” as a financial assistant. 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.

The Group has newly established a game production center to undertake high-end game art production from leading game companies.

### ***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. 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.

To empower the urban renewal with technology, the preparation for the Chengdu Sports Park project\* (成都體育公園項目) is in progress. The project is an innovative ecological sports park project with the philosophy of “Cultural IP + Technology + Sports”. In addition, several other projects that positioned as combining virtual and reality with the concept of metaverse has introduced to the industry and also positioned as bases for motion capture are also in progress.

### ***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 natives, 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, digital scenario and 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.

\* For identifications propose only

The hyperparameter artificial intelligence machine learning model is introduced by the Group to enhance the efficiency of processing the artificial intelligence machine learning of virtual characters and to improve the controllability of the intelligent virtual characters' functions. In this regard, the intelligent and highly imitated voice broadcast, intelligent action movement and intelligent dialogue of digital virtual characters are realized. The hyperparameter artificial intelligence technology has been practically applied in the Kiehl's virtual character project, and has been highly recognized by customers and brands.

### ***Government Awards***

As for government awards, in the first half of 2022, we applied for 20 government projects and confirmed the available subsidy of RMB2.7 million. In addition, the Group applied for 15 awards of events such as the China-Europe Animation Cooperation Online Dialogue, Hong Kong International Film and TV Market, 2022 China International Children's Film Festival, Nanshan Enterprise TOP Summit, and the National "Five-One Project" Award. It obtained the title of small and medium-sized technology enterprise, was approved as the sub-venue of the 18th China (Shenzhen) International Cultural Industries Fair and was awarded the Shenzhen Child-Friendly Practice Base\* (深圳市兒童友好實踐基地) and the 10th Shenzhen Copyright Gold Award.

## **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.

The Group is in a critical transformation period and needs to make continuous investment to consolidate its business and lay a solid foundation for subsequent development. In the first half of 2022, we were committed to talent development and technology optimization to improve business quality. At the same time, we actively expand the market, boost efforts to expand the Metaverse virtual characters and industrial park business and strive to become the leading digital asset management group in China in the Metaverse era.

\* For identifications propose only

## 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 the Pearl River Film Cultural Park and litigations resulted therefrom were reported in the three preceding financial years and first quarterly report of 2022. 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.

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, 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.

\* For identifications propose only

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 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. On 18 May 2022, a civil judgment (民事判決書) (the “Civil Judgment”) from the Guangzhou Intermediate People’s Court was handed down to Guangdong GDC. According to the Civil Judgment, the Claims have been rejected by the Guangzhou Intermediate People’s Court. Guangdong GDC filed an appeal with the Guangdong Higher People’s Court on 1 June 2022. As at the date of this announcement, no judgment has been handed down for the appeal.

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**

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 six months ended 30 June 2022.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules throughout the six months ended 30 June 2022, except the following deviation:

The code provision C.1.6 of the Code requires that independent nonexecutive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the view of shareholders. Mr. Chen Zheng, the non-executive director of the Company, was unable to attend the annual general meeting of the Company held on 27 May 2022 due to his other commitments.

## **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 six months ended 30 June 2022.



## AUDIT COMMITTEE

The Group's interim results for the six months ended 30 June 2022 were unaudited. However, the Company has engaged the Company's auditor, PricewaterhouseCoopers (the "Auditor") to assist the Company's audit committee (the "Audit Committee") to review the 2022 interim results of the Group. The Audit Committee together with the Auditor and the management of the Company have reviewed the unaudited interim results of the Group for the six months ended 30 June 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 of the Group for their hard work and dedication throughout the Period.

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

Hong Kong, 11 August 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 websites of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> on the "Latest Listed Company Information" page for at least 7 days from the date of its publications and on the website of Company at <http://www.gdc-world.com>.*