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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF RIGHTS OF USE ASSETS UNDER
THE LEASE FRAMEWORK AGREEMENT IN RELATION
TO TECHNOLOGY SERVICE CENTRE IN SUZHOU**

THE LEASE FRAMEWORK AGREEMENT

On 14 May 2024 (after trading hours), Suzhou GDC OMC, an indirect wholly-owned subsidiary of the Company, entered into the Lease Framework Agreement with Wuzhong Jinfu for a lease of a technology service centre in Suzhou for a term of 34 months from 18 May 2024 to 17 February 2027.

Pursuant to HKFRS 16, the Company will recognise a right-of-use asset on its consolidated statement of financial position in connection with the entering into of the Lease Framework Agreement. As appraised by Roma Appraisals Limited, an independent valuer, the value of acquisition of the right-of-use assets under the Lease Framework Agreement is RMB19,465,936 (equivalent to approximately HK\$21,044,255), which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Framework Agreement according to HKFRS 16.

Accordingly, the entering into of the Lease Framework Agreement will be regarded as an acquisition of asset by the Group pursuant to Chapter 19 of the GEM Listing Rules.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the transaction under the Lease Framework Agreement is more than 5% but less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction under Chapter 19 of the GEM Listing Rules. Accordingly, the Lease Framework Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from shareholders' approval under the GEM Listing Rules.

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The principal terms of the Lease Framework Agreement are set out below:

Date	14 May 2024 (after trading hours)
Parties	(1) Suzhou GDC OMC; and (2) Wuzhong Jinfu
Premises	2nd Floor, partial floor area of 4th Floor and 6th Floor to 14th Floor, Technology Service Centre, No. 168 Shi Hu Xi Road, Wu Zhong District, Suzhou, the PRC, with a total area of approximately 13,000 sq.m. (the " Premises "). The parties will sign separate lease contracts for lease of different unit/floor of the Premises. The final total leased area (with the maximum lease area to be approximately 13,000 sq.m.) shall be subject to the lease contracts to be entered into between Suzhou GDC OMC and Wuzhong Jinfu. It is currently expected that all the lease contracts will be signed on or before 31 October 2024.
Term of Lease	A term of 34 months from 18 May 2024 to 17 February 2027 Subject to the consent of Wuzhong Jinfu, Suzhou GDC OMC may renew the lease on same terms (save for the rent) by providing a 3-month prior written notice to Wuzhong Jinfu prior to the expiry of the Lease Framework Agreement.

Rent payable

The rent payable is RMB55 per sq.m. per month. The total monthly rent payable shall be based on the total leased area which shall be paid every 6 months.

Suzhou GDC OMC has been granted access to the Premises on 18 February 2024 and it shall pay rent commencing from such date in accordance with the Lease Framework Agreement.

Suzhou GDC OMC is entitled to a rent-free period of not less than 6 months under the terms and conditions of the Lease Framework Agreement.

The rent payable was determined after arm's length negotiations between the parties, after taking into consideration the prevailing market conditions and the prevailing market rent for comparable premises in the vicinity as well as the business development opportunity in the Wu Zhong District. The rent and other fees payable under the Lease Framework Agreement will be financed by internal resources of the Group.

Management fees

Suzhou GDC OMC shall pay management fee of RMB9.5 per sq.m. per month.

The total monthly management fees shall be based on the total leased area.

The management fees shall be paid every 6 months and the first instalment shall be paid on or before 18 May 2024.

Security deposit

Suzhou GDC OMC shall pay a security deposit equivalent to 3 months of the rent on or before 18 May 2024. The security deposit shall be returned to Suzhou GDC OMC 7 days after the Premises have been returned to Wuzhong Jinfu.

RIGHT-OF-USE ASSETS

Pursuant to HKFRS 16, the Company will recognise a right-of-use asset on its consolidated statement of financial position in connection with the entering into of the Lease Framework Agreement. As appraised by Roma Appraisals Limited, an independent valuer, the value of acquisition of the right-of-use assets under the Lease Framework Agreement is RMB19,465,936 (equivalent to approximately HK\$21,044,255), which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Framework Agreement according to HKFRS 16.

Accordingly, the entering into of the Lease Framework Agreement will be regarded as an acquisition of asset by the Group pursuant to Chapter 19 of the GEM Listing Rules.

INFORMATION ABOUT THE PARTIES

The Group is principally engaged in the provision of computer graphic creation and production services, digital visual business, and new cultural and sport space business.

Suzhou GDC OMC, an indirect wholly-owned subsidiary of the Company, is a limited liability company established in the PRC on 4 February 2024. Its principal business includes the provision of property management and property leasing business in the PRC.

Wuzhong Jinfu is a limited liability company established in the PRC on 11 July 2014. Wuzhong Jinfu is principally engaged in financial investment services, asset management and investment management services. It is ultimately beneficially owned as to Suzhou Wuzhong Municipal People's Government* (蘇州市吳中區人民政府).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Wuzhong Jinfu and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE LEASE FRAMEWORK AGREEMENT

Suzhou GDC OMC intends to develop the Premises into a technology service centre and introduce tenants principally engaged in cultural and digital economy to such centre. The Lease Framework Agreement enables the Group to develop the Premises into a technology service centre. The development of the Premises into a technology service centre will provide the Group with opportunities to explore the massive market in Suzhou and develop offline business with the empowerment of the Company's brands and cultural intellectual property. The technology service centre will allow the Group to expand its revenue stream and thus provide stable income for the Group.

The Board considers that the terms of the Lease Framework Agreement are fair and reasonable, based on normal commercial terms and are in the best interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the transaction under the Lease Framework Agreement is more than 5% but less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction under Chapter 19 of the GEM Listing Rules. Accordingly, the Lease Framework Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from shareholders' approval under the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability whose securities are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities of GEM
“Group”	the Company and its subsidiaries
“HKFRS”	The Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Lease Framework Agreement”	the lease framework agreement dated 14 May 2024 entered into between Suzhou GDC OMC and Wuzhong Jinfu
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Suzhou GDC OMC”	Suzhou Global Digital Operation Management Company Limited* (蘇州環球數碼運營管理有限公司), a limited liability company established in the People’s Republic of China and an indirect wholly-owned subsidiary of the Company

“Wuzhong Jinfu” Suzhou Wuzhong Financial Investment and Merchants Services Company Limited* (蘇州市吳中金融招商服務有限公司), a limited liability company established in the People’s Republic of China

“%” per cent

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

Hong Kong, 14 May 2024

In this announcement, conversion of RMB into HK\$ is based on the exchange rate of HK\$1;RMB0.925. No representation is made that any amount is RMB and HK\$ can be or could have converted at the above exchange rate or any other rates.

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, Mr. Li Yao and Ms. Wu Chunhua as Independent Non-executive Directors.

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

This announcement will remain on the website of the Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> on the “Latest Listed Company Information” page for at least seven days from the date of its publication and on the website of the Company website at <http://www.gdc-world.com>.

* For identification purpose only