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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)

**CONTINUING CONNECTED TRANSACTION  
FINANCE SERVICES AGREEMENT**

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The Board announces that, on 5 December 2023 (after trading hours), the Company entered into the Finance Services Agreement with Shougang Finance in relation to the provision of the Deposit Services and Settlement Services by Shougang Finance to the Group subject to the terms and conditions therein.

**GEM LISTING RULES IMPLICATIONS**

As at the date of this announcement, Shougang Group indirectly holds approximately 41.16% of the issued share capital of the Company and is a controlling shareholder and a connected person of the Company. As Shougang Finance is a wholly-owned subsidiary of Shougang Group, and is therefore a connected person of the Company. The transactions contemplated under the Finance Services Agreement constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rule 20.74(2)(b) of the GEM Listing Rules, as all applicable percentage ratios (other than the profits ratio) in respect of the annual caps of Finance Services Agreement are less than 25%, and the total consideration under Finance Services Agreement is less than HK\$10,000,000, the transactions contemplated under the Finance Services Agreement are therefore subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **FINANCE SERVICES AGREEMENT**

The Board announces that, on 5 December 2023 (after trading hours), the Company entered into the Finance Services Agreement with Shougang Finance in relation to the provision of the Deposit Services and Settlement Services by Shougang Finance to the Group subject to the terms and conditions therein.

The principal terms of the Finance Services Agreement are set out below:

- Date: 5 December 2023
- Parties: (i) the Company; and  
(ii) Shougang Finance

### **Term**

The term of the Finance Services Agreement shall commence from the date of the Finance Services Agreement and shall continue up to 31 December 2025 (both dates inclusive).

### **Deposit Services**

#### *Services*

The Group may deposit funds into the deposit accounts in Shougang Finance in return for interest income. The daily maximum balance of deposits placed by the Group shall be not more than RMB9,000,000 (approximately HK\$9,879,254) during the Term.

#### *Pricing Policy*

The rate at which interest will accrue on any deposit placed by the Group with Shougang Finance under the Finance Services Agreement will not be lower than the following:

- (a) the benchmark interest rate prescribed by the PBOC for the same type of deposits of the same period;
- (b) the interest rates offered by commercial banks in the PRC and overseas (including Hong Kong) to the Group for the same type of deposits of the same period; and
- (c) the interest rates offered by Shougang Finance to other members of Shougang Group for the same type of deposits of the same period.

Please refer to the details of the internal control measures to be implemented by the Group for determining and monitoring the deposit interest rate as set out in the paragraph headed “Internal Control Policy” below.

### **Settlement Services**

Shougang Finance will provide payment and collection services and other ancillary services related to settlement business in accordance with the Group’s instructions. No service fee will be charged by Shougang Finance for the Group to utilise the Settlement Services.

### **ANNUAL CAPS**

The daily maximum balance of funds placed by the Group with Shougang Finance (including any interest accrued thereon) under the Finance Services Agreement during the Term (the “**Daily Deposit Cap**”) will not exceed the following caps:

	<i>RMB</i>
From the date of the Finance Services Agreement to 31 December 2023	9,000,000 (approximately HK\$9,879,254)
From 1 January 2024 to 31 December 2024	9,000,000 (approximately HK\$9,879,254)
From 1 January 2025 to 31 December 2025	9,000,000 (approximately HK\$9,879,254)

In determining the above caps, the Directors have taken into account the following factors:

- (a) the existing level of cash and cash equivalent held by the Group. As at 30 June 2023, the total cash and cash equivalent held by the Group amounted to approximately HK\$253 million;
- (b) the cash position of the Group and expected growth of business operation of the Group;
- (c) the settlement services required during the Term;
- (d) the expected daily deposit balances of the Group; and
- (e) the basis of determining the deposit interests as disclosed in “Deposit Services – Pricing Policy” above.

The Directors (including the independent non-executive Directors) consider that the above proposed Daily Deposit Cap are fair and reasonable and in the interests of the Shareholders as a whole.

There was no historical transaction between the Group and Shougang Finance and/or Shougang Group in relation to the provision of Deposit Services and Settlement Services.

## **INTERNAL CONTROL POLICY**

The internal control measures on the determination of deposit interest rate for the Deposit Services are as follows:

1. Before entering into any deposit arrangements with the Shougang Finance, the Group will obtain and review the deposit interest rates for the same type of deposits quoted by other major domestic commercial banks in the PRC and Hong Kong.
2. The Group will enter into supplemental agreement(s) with Shougang Finance as and when necessary to ensure that the deposit interest rate of the Deposit Services under the Finance Services Agreement will be no less favourable to the Group than the same type of deposits quoted by the other major domestic commercial banks in the PRC and Hong Kong.

The internal control measures on monitoring the proposed Daily Deposit Cap are as follows:

1. The finance department of the Company will monitor the amount of funds deposited into the designated account of the Shougang Finance on a daily basis to ensure that the proposed Daily Deposit Cap will not be exceeded. If the deposits of the Group placed with the Shougang Finance are expected to exceed the Daily Deposit Cap, Shougang Finance shall inform the Company in a timely manner and the Group will arrange for the transferring of funds to other deposit accounts of the Group.
2. The finance department of the Company will report to the management of the Company and provide updates on the deposit arrangements with Shougang Finance on a monthly basis.
3. The independent non-executive Directors and auditors of the Company will conduct an annual review with respect to the continuing connected transactions conducted by the Group throughout the preceding financial year (including the transactions contemplated under the Finance Services Agreement) and will provide annual confirmations pursuant to the requirements under the GEM Listing Rules to ensure that the continuing connected transactions (including the transactions contemplated under the Finance Services Agreement) are in accordance with the terms of the Finance Services Agreement governing such transactions, on normal commercial terms, fair and reasonable, and in accordance with the pricing policies and the proposed Daily Deposit Cap.

The capital risk control measures on the Deposit Services and the Settlement Services are as follows:

1. Shougang Finance will provide the Group with the quarterly financial report, yearly audited report and other statements regularly.

2. Shougang Finance will ensure the safe operation of the fund management information systems. All fund management information systems of the Shougang Finance in which the relevant deposits are placed have passed the security test in respect of the interface of online banking of commercial banks and have reached the security standards for domestic commercial banks.
3. Shougang Finance will ensure that it is operated in strict compliance with the risk monitoring indicators for financial institutions issued by the NAFR and that its major regulatory indicators such as capital adequacy ratio, interbank borrowing ratio and liquidity ratio will also comply with the requirements of the NAFR.
4. For the purpose of credit assessment, the finance department of the Company will (i) review quarterly financial report, yearly audited report and other statements provided by Shougang Finance (as stated in paragraph (1) above) on a regular basis; and (ii) review the credit rating reports on Shougang Group published annually by credit rating agencies recognized by the PBOC.
5. To ensure that the Group will have sufficient working capital and liquidity for its business operations, the finance department of the Company will monitor the cash position of the Group from time to time and the Group will make withdrawals where necessary to ensure that the amount deposited with Shougang Finance under the Deposit Services shall not exceed the Daily Deposit Cap.

## **INFORMATION OF THE COMPANY AND SHOUGANG FINANCE**

### **The Company**

The Company is incorporated in Bermuda with limited liability and the shares of which are listed on the GEM. The Company is an investment holding company and its subsidiaries are principally engaged in provision of computer graphic creation and production services, digital visual business and new cultural and sport space business (property leasing and management services).

### **Shougang Finance**

Shougang Finance is established in the PRC with limited liability. Its establishment as a non-bank financial institution has been approved by NAFR. Shougang Finance acts as a platform for members of Shougang Group (including the Group) for provision of intra-group facilities through financial products including deposit-taking, money-lending and financial consulting, etc. As at the date of this announcement, Shougang Finance is a wholly-owned subsidiary of Shougang Group. Shougang Group is a company established in the PRC and a state-owned enterprise wholly-owned by Assets Supervision and Administration Commission of People's Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會). Shougang Group is one of the largest steel production enterprises in the PRC and is principally engaged in a wide range of business including steel and iron production, overseas business, property development, mining resources and other businesses.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE SERVICES AGREEMENT**

The Group has to maintain deposits and other bank balances with financial institutions in Hong Kong and the PRC from time to time as part of its treasury activities and in order to satisfy its business needs in the ordinary and usual course of business.

Given that Shougang Finance (1) provides Settlement Services to the Group on a free-of charge basis; (2) has in-depth knowledge about the operation of the Group and could provide more convenient and effective services to the Group than other financial institutions; (3) is a non-bank financial institution licensed by the NAFR with customers primarily comprised of members of the Shougang Group, which means it is exposed to lower risks than other financial institutions and hence could offer better security to the deposits of the Group; (4) ensure that the relevant deposits are placed is/are operated in strict compliance with the risk monitoring indicators for financial institutions issued by the NAFR and that its major regulatory indicators such as capital adequacy ratio, interbank borrowing ratio and liquidity ratio will also comply with the requirements of the NAFR. Besides, it ensures that the relevant deposits have reached the security standards for domestic commercial banks; (5) offers the deposit interest rates will be no less favourable to the Group than those offered by commercial banks in Hong Kong and the PRC to the Group for comparable deposits, which would enable the Group to generate interest income therefrom.; and (6) is the financial institution under the Shougang Group, and the credit rating of Shougang Group as rated by Dagong Global Credit Rating Co., Ltd.\* (大公國際資信評估有限公司), a credit rating agency recognized by the PBOC, for the year 2023 was “AAA”, which evidenced that Shougang Group has healthy cash flow and strong capability to repay its debt; hence, the credit risk in relation to placing deposits with Shougang Finance, would be relatively low.

The Finance Services Agreement does not preclude the Group from using the services of other financial institutions. The Group has the discretion to select any major and independent commercial banks in Hong Kong and the PRC as its financial services providers as it thinks fit and appropriate for the benefit of the Group.

In view of the reasons and benefits set out above and the internal control measures in place, the Directors (including the independent non-executive Directors) consider that the Finance Services Agreement is entered into in the ordinary and usual course of business of the Group on normal commercial terms and that the terms of the Finance Services Agreement (together with the relevant annual caps) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As at the date of this announcement, Shougang Group indirectly holds approximately 41.16% of the issued share capital of the Company and is a controlling shareholder and a connected person of the Company. As Shougang Finance is a wholly-owned subsidiary of Shougang Group, and is therefore a connected person of the Company. The transactions contemplated under the Finance Services Agreement constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

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Mr. Xu Liang and Mr. Wang Hongpeng (being directors of other subsidiaries of Shougang Group) have abstained from voting on the resolutions at the Board meeting. Save for Mr. Xu Liang and Mr. Wang Hongpeng, none of the Directors has or is deemed to have a material interest in the Finance Services Agreement and is required to abstain from voting on the relevant Board resolutions approving the same.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	Global Digital Creations Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the GEM of the Stock Exchange
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Daily Deposit Cap”	has the meaning ascribed to it under the paragraph headed “Annual Caps” in this announcement
“Deposit Services”	the deposit services to be provided by Shougang Finance to the Group under the Finance Services Agreement
“Director(s)”	the director(s) of the Company

“Finance Services Agreement”	the finance services agreement entered into between the Company and Shougang Finance on 5 December 2023
“GEM”	The GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“GEM Listing Rules”	the Rules Governing the Listing of Securities of GEM
“NAFR”	the National Administration of Financial Regulation (國家金融監督管理總局)
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Services”	the settlement services to be provided by Shougang Finance to the Group under the Finance Services Agreement
“Share(s)”	the ordinary share(s) of the Company with par value of HK\$0.01 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Shougang Finance”	Shougang Group Finance Co. Ltd., a company established in the PRC with limited liability and is a wholly-owned subsidiary of Shougang Group
“Shougang Group”	Shougang Group Co., Ltd. (a state-owned enterprise under the direct supervision of the Assets Supervision and Administration Commission of People’s Government of Beijing Municipality, established in the PRC) and is the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Term” from the date of the Finance Services Agreement and continue up to 31 December 2025 (both dates inclusive)

“%” per cent

\* *For identification purposes only*

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

Hong Kong, 5 December 2023

*In this announcement, conversion of RMB into HK\$ is based on the exchange rate of HK\$1: RMB0.911. No representation is made that any amount in RMB and HK\$ can be or could have been 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 at <http://www.hkexnews.hk> 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>.*