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 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

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 the 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") is pleased to announce the audited financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 with comparative figures for the year ended 31 December 2012.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2013

	NOTES	**2013** *HK$'000*	2012 *HK$'000*
Revenue	*2*	**160,720**	111,022
Cost of sales		**(96,461)**	(74,932)
Gross profit		**64,259**	36,090
Other income		**47,029**	32,389
Distribution costs and selling expenses		**(19,972)**	(12,644)
Administrative expenses		**(67,261)**	(60,133)
Increase in fair value of investment properties		**13,418**	148,460
Finance costs		**(8,993)**	(11,353)
Other gains and losses		**4,618**	(2,721)
Profit before tax		**33,098**	130,088
Income tax expense	*4*	**(9,813)**	(41,057)
Profit for the year	*5*	**23,285**	89,031
Other comprehensive income:			
Item that will not be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements from functional currency to presentation currency		**19,536**	11,268
Total comprehensive income for the year		**42,821**	100,299
Profit (loss) for the year attributable to:			
Owners of the Company		**33,833**	60,463
Non-controlling interests		**(10,548)**	28,568
		23,285	89,031
Total comprehensive income (expenses) for the year attributable to:			
Owners of the Company		**51,608**	71,384
Non-controlling interests		**(8,787)**	28,915
		42,821	100,299
		HK cents	HK cents
Earnings per share	*6*		
Basic and diluted		**2.23**	3.98

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	NOTES	**2013**	2012
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**287,135**	291,456
Investment properties		**544,327**	504,835
Prepaid lease payments		**5,979**	5,967
Available-for-sale investments		**85,034**	85,018
Other receivables and deposits		**25,641**	25,000
		948,116	912,276
Current assets			
Programmes		**–**	322
Productions work in progress		**6,541**	2,769
Amounts due from customers for contract work		**5,521**	6,166
Trade receivables	*7*	**17,066**	15,243
Other receivables and deposits		**12,988**	11,691
Prepaid lease payments		**141**	138
Held-for-trading investments		**36,833**	32,756
Structured deposits	*8*	**185,164**	–
Bank balances and cash		**93,351**	309,178
		357,605	378,263
Current liabilities			
Advances from customers		**10,433**	10,510
Amounts due to customers for contract work		**4,361**	1,699
Trade payables	*9*	**2,583**	2,183
Other payables and accruals		**98,842**	119,198
Tax liabilities		**11,021**	5,059
Deferred income		**12,100**	1,605
Secured bank borrowings – due within one year		**35,897**	30,000
		175,237	170,254
Net current assets		**182,368**	208,009
Total assets less current liabilities		**1,130,484**	1,120,285
Non-current liabilities			
Deferred income		**4,252**	8,214
Deferred tax liabilities		**41,940**	37,579
Secured bank borrowings – due after one year		**82,051**	115,000
		128,243	160,793
Net assets		**1,002,241**	959,492
Capital and reserves			
Share capital	*10*	**15,183**	15,183
Reserves		**940,946**	889,338
Equity attributable to owners of the Company		**956,129**	904,521
Non-controlling interests		**46,112**	54,971
Total equity		**1,002,241**	959,492

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2013

	Attributable to owners of the Company											
	Share capital	Share premium reserve	Capital contribution reserve	Contributed surplus reserve	Statutory reserve	Share options reserve	Exchange reserve	Special reserve	Retained earnings	Sub-total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2012	15,183	75,856	445	245,881	680	40,890	44,568	–	409,595	833,098	25,355	858,453
Profit for the year	–	–	–	–	–	–	–	–	60,463	60,463	28,568	89,031
Exchange differences on translation of financial statements from functional currency to presentation currency	–	–	–	–	–	–	10,921	–	–	10,921	347	11,268
Total comprehensive income for the year	–	–	–	–	–	–	10,921	–	60,463	71,384	28,915	100,299
Sub-total	15,183	75,856	445	245,881	680	40,890	55,489	–	470,058	904,482	54,270	958,752
Lapse of share options granted	–	–	–	–	–	(23,995)	–	–	23,995	–	–	–
Disposal of partial interest in a subsidiary	–	–	–	–	–	–	–	39	–	39	701	740
At 31 December 2012	15,183	75,856	445	245,881	680	16,895	55,489	39	494,053	904,521	54,971	959,492
Profit (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**33,833**	**33,833**	**(10,548)**	**23,285**
Exchange differences on translation of financial statements from functional currency to presentation currency	**-**	**-**	**-**	**-**	**-**	**-**	**17,775**	**-**	**-**	**17,775**	**1,761**	**19,536**
Total comprehensive income (expenses) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**17,775**	**-**	**33,833**	**51,608**	**(8,787)**	**42,821**
Sub-total	**15,183**	**75,856**	**445**	**245,881**	**680**	**16,895**	**73,264**	**39**	**527,886**	**956,129**	**46,184**	**1,002,313**
Lapse of share options granted	**-**	**-**	**-**	**-**	**-**	**(16,895)**	**-**	**-**	**16,895**	**-**	**-**	**-**
Transfer to statutory reserve	**-**	**-**	**-**	**-**	**190**	**-**	**-**	**-**	**(190)**	**-**	**-**	**-**
Dividends paid to non – controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(72)**	**(72)**
At 31 December 2013	**15,183**	**75,856**	**445**	**245,881**	**870**	**-**	**73,264**	**39**	**544,591**	**956,129**	**46,112**	**1,002,241**

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidate financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC) Int-12 *Consolidation – Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The Directors of the Company made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 January 2013) as to whether or not the Group has control over its subsidiaries in accordance with the new definition of control and the related guidance set out in HKFRS 10. The Directors of the Company concluded that it has had control over all its subsidiaries and there is no change in the consolidation scope.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 *Fair Value Measurement*

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014

2 Effective for annual periods beginning on or after 1 July 2014

3 Available for application – the mandatory effective date will be determined when the outstanding phase of HKFRS 9 are finalised

4 Effective for annual periods beginning on or after 1 July 2014, with limited exception

5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

Annual Improvements to HKFRSs 2010 – 2012 Cycle

The *Annual Improvements to HKFRSs 2010 – 2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of “vesting condition” and “market condition”; and (ii) add definitions for “performance condition” and “service condition” which were previously included within the definition of “vesting condition”. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have “similar economic characteristics”; and (ii) clarify that a reconciliation of the total of the reportable segments” assets to the entity’s assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HAKS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors do not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010 – 2012 Cycle* will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011 – 2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The Directors do not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2011 – 2013 Cycle* will have a material effect on the Group's consolidated financial statements.

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liabilities that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS39, the entire amount of the changes in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The Directors anticipate that the adoption of HKFRS 9 in the future will affect the classification and measurement of the Group's available-for-sale investments and may affect the classification and measurement of the Group's other financial assets but not of the Group's financial liabilities. Regarding the Group's available-for-sale investments and other financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The Directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Amendments to HKAS 36 ***Recoverable Amount Disclosures for Non-Financial Assets***

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The Directors of the Company do not anticipate that the application of these amendments to HKAS 36 will have a significant impact on the Group's consolidated financial statements.

HK(IFRIC) – Int 21 ***Levies***

HK(IFRIC) – Int 21 *Levies* addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The Directors of the Company anticipate that the application of HK(IFRIC) – Int 21 *Levies* will have no effect on the Group's consolidated financial statements as the Group does not have any levy arrangements.

The Directors do not anticipate that the applications of other new and revised HKFRSs will have a material effect on the Group's consolidated financial statements.

2. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2013	2012
	HK$'000	*HK$'000*
Revenue from contracts for Computer Graphic ("CG") creation and production *(Note)*	**87,532**	59,819
Rental and building management service fee income	**57,448**	33,395
CG training fee	**15,740**	17,808
	160,720	111,022

Note: During the year, an amount of approximately HK$26,880,000 (2012: HK$7,300,000) was attributable to revenue from the release of a 3D-animated film based on an agreed sharing percentage of the box office receipts.

3. **SEGMENT INFORMATION**

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group is currently organised into three operating divisions. These operating divisions are the basis upon which the information that is regularly reviewed by the CODM is prepared and are analysed under HKFRS 8 as follows:

- CG creation and production – CG creation and production, exhibition of television series and movies as well as property rental income and building management service fee income
- CG training – provision of CG and animation training
- Cultural park – media entertainment and related commercial property investment

The above operating divisions constitute the operating segments of the Group.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

For the year ended 31 December 2013

	CG creation and production *HK$'000*	**CG training** *HK$'000*	**Cultural park** *HK$'000*	**Consolidated** *HK$'000*
Revenue	**121,970**	**15,740**	**23,010**	**160,720**
Segment result	**24,829**	**1,663**	**5,005**	**31,497**
Unallocated income				**14,132**
Unallocated expenses				**(12,531)**
Profit before tax				**33,098**

For the year ended 31 December 2012

	CG creation and production *HK$'000*	CG training *HK$'000*	Cultural park *HK$'000*	Consolidated *HK$'000*
Revenue	91,908	17,808	1,306	111,022
Segment result	1,876	(38)	135,346	137,184
Unallocated income				10,926
Unallocated expenses				(18,022)
Profit before tax				130,088

Segment results represent the profit earned by or loss incurred from each segment without allocation of investment income and central administration costs. This is the measure reported to the CODM of the Company for the purposes of resources allocation and performance assessment.

Segment revenue reported above represents revenue generated from external customers.

There were no material inter-segment sales in the current and prior years.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

At 31 December 2013

	CG creation and production *HK$'000*	**CG training** *HK$'000*	**Cultural park** *HK$'000*	**Consolidated** *HK$'000*
Assets				
Segment assets	**538,737**	**15,841**	**588,964**	**1,143,542**
Unallocated assets				
– Available-for-sale investments				**85,034**
– Held-for-trading investments				**36,833**
– Bank balances and cash				**38,235**
– Others				**2,077**
Consolidated total assets				**1,305,721**
Liabilities				
Segment liabilities	**196,845**	**9,252**	**94,059**	**300,156**
Unallocated liabilities				**3,324**
Consolidated total liabilities				**303,480**

At 31 December 2012

	CG creation and production *HK$'000*	CG training *HK$'000*	Cultural park *HK$'000*	Consolidated *HK$'000*
Assets				
Segment assets	608,006	18,375	536,522	1,162,903
Unallocated assets				
– Available-for-sale investments				85,018
– Held-for-trading investments				32,756
– Bank balances and cash				7,992
– Others				1,870
Consolidated total assets				1,290,539
Liabilities				
Segment liabilities	202,184	8,568	117,578	328,330
Unallocated liabilities				2,717
Consolidated total liabilities				331,047

For the purpose of monitoring segment performances and allocating resources between segments:

– all assets are allocated to the operating segments other than unallocated assets attributed to the Company, the Group's management companies and investment holding companies.

– all liabilities are allocated to the operating segments other than unallocated liabilities attributed to the Company, the Group's management companies and investment holding companies.

Other segment information

For the year ended 31 December 2013

	Amounts included in the measure of segment profit or loss or segment assets					
	CG creation and production *HK$'000*	**CG training** *HK$'000*	**Cultural park** *HK$'000*	**Segment total** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated total** *HK$'000*
Additions to non-current assets *(Note)*	**10,995**	**654**	**13,095**	**24,744**	**10**	**24,754**
Increase in fair value of investment properties	**–**	**–**	**13,418**	**13,418**	**–**	**13,418**
Depreciation of property, plant and equipment	**17,423**	**1,083**	**383**	**18,889**	**606**	**19,495**
Allowance for doubtful debts	**360**	**–**	**–**	**360**	**–**	**360**
Amortisation of prepaid lease payments	**139**	**–**	**–**	**139**	**–**	**139**
Interest income	**10,023**	**77**	**13**	**10,113**	**30**	**10,143**
Government grants	**17,978**	**90**	**–**	**18,068**	**–**	**18,068**

For the year ended 31 December 2012

	Amounts included in the measure of segment profit or loss or segment assets					
	CG creation and production *HK$'000*	CG training *HK$'000*	Cultural park *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated total *HK$'000*
Additions to non-current assets *(Note)*	3,001	788	179,819	183,608	67	183,675
Increase in fair value of investment properties	–	–	148,460	148,460	–	148,460
Depreciation of property, plant and equipment	16,616	1,844	316	18,776	685	19,461
Allowance for programmes	8,606	–	–	8,606	–	8,606
Allowance for productions work in progress	984	–	–	984	–	984
Loss (gain) on disposal of property, plant and equipment	721	–	–	721	(20)	701
Written off of bad debts	489	–	–	489	–	489
Amortisation of prepaid lease payments	136	–	–	136	–	136
Interest income	10,031	61	29	10,121	1	10,122
Government grants	11,080	25	–	11,105	–	11,105

Note: Non-current assets exclude available-for-sale investments, and other receivables and deposits.

Geographical information

The Group's operations are located mainly in the People's Republic of China (the "PRC", for the purpose of this announcement, does not include Hong Kong, Macau and Taiwan).

The Group's revenue from external customers by geographical location of the customers, and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		**Non-current assets** *(Note)*	
	2013 ***HK$'000***	2012 *HK$'000*	**2013** ***HK$'000***	2012 *HK$'000*
PRC	**130,083**	73,159	**836,025**	800,247
Denmark	**8,132**	22,847	**–**	–
USA	**3,879**	5,565	**–**	–
Hong Kong	**123**	–	**1,416**	2,011
France	**12,753**	3,476	**–**	–
Italy	**291**	3,319	**–**	–
Australia	**5,459**	2,656	**–**	–
	160,720	111,022	**837,441**	802,258

Note: Non-current assets exclude available-for-sale investments, and other receivables and deposits.

Information about major customer

Revenue from one customer contributing over 10% of the total revenue of the Group for the year ended 31 December 2013 is approximately HK$26,880,000 (2012: HK$15,144,000) under CG creation and production segment.

4. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
The income tax expense comprises:		
PRC Enterprise Income Tax ("EIT")		
Current tax	**6,459**	3,723
Underprovision in prior years	**–**	219
	6,459	3,942
Deferred tax	**3,354**	37,115
	9,813	41,057

No provision for Hong Kong Profits Tax has been made in the consolidated statement of profit or loss and other comprehensive income for both years as the Group had no assessable profit arising in Hong Kong.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% (2012: 15% to 25%).

5. PROFIT FOR THE YEAR

	2013	2012
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Staff costs, including directors' emoluments:		
– Salaries, wages and other benefits	**108,729**	92,787
– Retirement benefit scheme contributions	**5,623**	2,173
Total staff costs	**114,352**	94,960
Less: amounts included in contract costs	**(24,921)**	(21,247)
amounts included in productions work in progress	**(3,184)**	(2,100)
	86,247	71,613
Allowance for programmes (included in cost of sales)	**–**	8,606
Allowance for productions work in progress (included in cost of sales)	**–**	984
Allowance for doubtful debts	**360**	–
Amortisation of prepaid lease payments	**139**	136
Auditor's remuneration	**1,140**	1,140
Contract costs recognised as an expense:		
Staff costs	**35,847**	28,936
Others	**23,891**	25,323
	59,738	54,259
Depreciation of property, plant and equipment	**21,985**	21,961
Less: amounts included in contract costs	**(2,166)**	(2,365)
amounts included in productions work in progress	**(324)**	(135)
	19,495	19,461
Exchange gain, net	**(292)**	(622)
Loss on disposal of property, plant and equipment	**–**	701
Minimum lease payments under operating leases for land and buildings	**12,036**	5,481
Less: amounts included in contract costs	**(509)**	(649)
amounts included in productions work in progress	**(25)**	(51)
	11,502	4,781
Gross rental income from investment properties	**(15,590)**	–
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**4,276**	–
	(11,314)	–

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	**33,833**	60,463

	2013	2012
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**1,518,256**	1,518,256

All the share options of the Company were lapsed in August 2013. The computation of diluted earnings per share for the year 2012 has not assumed the exercises of the Company's share options as the exercise prices of the share options were higher than the average market price of the shares for 2012.

7. TRADE RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**17,369**	15,243
Less: Allowance for doubtful debts	**(303)**	–
Total receivables	**17,066**	15,243

Except for rental income receivable from tenants, which is due for settlement upon issue of invoice, the Group allows different credit periods to its trade customers ranging from 30 days to 120 days, depending on the type of products sold or services provided.

The following is an aged analysis at the end of the reporting period of the trade receivables, net of allowance for doubtful debts presented based on the invoice date:

	2013	2012
	HK$'000	*HK$'000*
Within three months	**16,975**	15,186
Over six months	**91**	57
	17,066	15,243

Before accepting any new customer, the Group will assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. In addition, the Group will review the repayment history of trade receivables by each customer with reference to the payment terms to determine the recoverability of trade receivables. Trade receivables that are neither past due nor impaired have good credit quality according to their past repayment history.

Included in the Group's trade receivables are debtors with an aggregate carrying amount of approximately HK$91,000 (2012: HK$57,000) which are past due at the end of the reporting period for which the Group does not provide for impairment loss as the Directors assessed that the balances will be recovered. The Group does not hold any collateral over these receivables.

The following is an aged analysis of trade receivables which are past due but not impaired:

	2013	2012
	HK$'000	*HK$'000*
Nine to twelve months	**91**	–
Over one year	**–**	57
Total	**91**	57

Movements in the allowance for doubtful debts

	2013	2012
	HK$'000	*HK$'000*
1 January	**–**	489
Impairment losses recognised on receivables	**360**	–
Amounts written off as uncollectible	**(57)**	(489)
31 December	**303**	–

8. STRUCTURED DEPOSITS

	2013	2012
	HK$'000	*HK$'000*
Principal-protected financial products	185,164	–

The structured deposits as at 31 December 2013 are principal-protected deposits issued by banks in the PRC. The principal-protected deposits carry interest rates ranging from 3.6% to 5.6% per annum, depending on the market prices of the financial instruments, including money market instruments and debt instruments. The structured deposits are designated at FVTPL on initial recognition as they contain non-closely related embedded derivative. The directors consider the fair values of the structured deposits, which are based on the prices the counterparty banks would pay to redeem at 31 December 2013, approximate to their carrying values at 31 December 2013. The fair value of the structured deposits was classified as level 2 of the fair value hierarchy. There were no transfers between Level 1 and 2.

The structured deposits have been redeemed in March 2014. The change in fair value up to the date of redemption is not significant.

9. TRADE PAYABLES

The following is an aged analysis at the end of the reporting period of the trade payables presented based on the invoice date:

	2013	2012
	HK$'000	*HK$'000*
Within three months	**1,626**	885
Three to twelve months	**–**	6
Over one year	**957**	1,292
	2,583	2,183

The average credit period on purchases of goods is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

10. SHARE CAPITAL

	Number of shares	Share capital *HK$*
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2012, 31 December 2012 and 2013	2,400,000,000	24,000,000
Issued and fully paid		
At 1 January 2012, 31 December 2012 and 2013	1,518,255,540	15,182,555

11. LITIGATION

On 5 August 2013, a writ of summons (the "Writ of Summons") was issued at the High Court of Hong Kong against GDC Holdings Limited (the "Defendant"), a wholly-owned subsidiary of the Company, for specific performance or damages in lieu in relation to an agreement entered into between the plaintiff, the Defendant and the Company on 6 September 2011 (the "Agreement"). The plaintiff alleged that one of the clauses in the Agreement required the Defendant to acquire certain amount of shares of GDC Technology Limited from the plaintiff subject to the occurrence of certain events. The Defendant filed a defence ("Defence") on 22 November 2013 denying the plaintiff's allegations and asserting various affirmative defences. The amount involved in the claim is USD790,900.

As at the date of this report, the plaintiff has not yet filed a reply to the Defendant's Defence and no trial date has been fixed. Based on the legal advice received by the Company, the directors are of the view that the likelihood of success of the plaintiff's claim is remote. Accordingly, no provision for any potential liability has been made in the consolidated financial statements.

FINAL DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2013 (2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Overview

Revenue for the year ended 31 December 2013 was HK$160,720,000, when compared with that of HK$111,022,000 for the year 2012, representing an increase of 45%. The increase was mainly attributable to increases in revenue from contracts for CG creation and production of HK$27,713,000 and rental and building management service fee income of HK$24,053,000.

Cost of sales for the year ended 31 December 2013 amounted to HK$96,461,000, when compared with that of HK$74,932,000 for the year 2012, representing an increase of 29%. The increase was mainly due to (i) an increase in direct operating costs for Phase I of the Pearl River Film Cultural Park (the "Cultural Park") which started generating rental income for the Group in this year; and (ii) more CG production costs incurred in line with increase in CG creation and production income.

The Group recorded a gross profit of HK$64,259,000 for the year ended 31 December 2013, when compared with that of HK$36,090,000 for the year 2012, representing an increase of 78%. The Group's gross profit margin for the year ended 31 December 2013 amounted to 40% (2012: 33%). The improvement in the gross profit margin was mainly attributable to an increase in CG creation and production income due to the sharing of box office receipt from the release of a film by HK$26,880,000 (2012: HK$7,300,000).

Other income for the year ended 31 December 2013 amounted to HK$47,029,000 (2012: HK$32,389,000), representing an increase of 45%. The increase was mainly due to increases in government grants and dividend by HK$6,963,000 and HK$2,989,000 respectively and a sum of HK$4,810,000 received in settlement of a dispute in relation of hacking activities targeting our PRC training online enrolment website from September 2011 to November 2012.

Distribution costs and selling expenses for the year ended 31 December 2013 amounted to HK$19,972,000 (2012: HK$12,644,000), representing an increase of 58%. The increase was mainly attributable to an increase in marketing expenses spent on the release of a film during the year.

Administrative expenses for the year ended 31 December 2013 amounted to HK$67,261,000 (2012: HK$60,133,000), representing an increase of 12%. The increase is resulted from higher staff costs and office operating expenses incurred as a result of the growth of operations of the Group.

Changes in fair value of investment properties for the year ended 31 December 2013 was HK$13,418,000 (2012: HK$148,460,000). Such change in fair value was arisen from Phase I of the Cultural Park upon completion at the end of Year 2012.

Finance costs, which represented interest on bank borrowings for headquarters building in Shenzhen, decreased HK$2,360,000 from HK$11,353,000 for the year ended 31 December 2012 to HK$8,993,000 for the year ended 31 December 2013. The decrease was resulted from lower interest rate and repayment of bank borrowings during the year.

Other gains and losses for the year ended 31 December 2013 amounted to HK$4,618,000 of net gains (2012: HK$2,721,000 of net losses). It included increases in fair value of held-for-trading investments and structured deposits of HK$4,077,000 (2012: decrease in fair value of held-for-trading investments of HK$2,020,000) and HK$541,000 (2012: Nil) respectively.

As a whole, the Group recorded a profit attributable to owners of the Company of HK$33,833,000 for the year ended 31 December 2013, when compared with the profit attributable to owners of the Company of HK$60,463,000 for the year 2012.

Business Review and Outlook

CG creation and production

For the year ended 31 December 2013, revenue from computer graphic ("CG") creation and production division was HK$121,970,000, representing a 33% growth when compared with that of HK$91,908,000 for the year 2012.

During the year 2013, we were awarded as one of the "Top 100 Enterprises in the Cultural and Creative Industries in Shenzhen" and one of the "Top Ten Cultural Export Enterprises in Shenzhen". These awards give us confidence in developing our CG creation and production business into the "Base for cultural and creative industries in Shenzhen" by offering our auxiliary facilities such as "Southern Research Center for China Digital Films" and "3D Animation and Virtual Technology Laboratory", and in turn, striving to foster a comprehensive industry presence in show and cultural business.

Our CG creation and production team has clients based in North America, Europe and Australia. During the year, the team has completed five international animated film and TV projects and four projects in production progress. There are also several co-production projects and service projects under negotiation or at the stage of testing and assessment. The completed animated films have been released in Europe and the United States and were highly recognized by our clients and the industry. We have also assisted with the production of a Denmark animated film "OTTO is a Rhino", which was awarded the Best Animated Feature Film in the 30th Annual Chicago International Children's Film Festival. Another animated TV series "LEGO Star Wars: The Yoda Chronicles" aired on a mainstream American Cartoon Network, won the champion of American animated television series for audience rating. It also ranked top in terms of audience rating in the American Cable TV network.

In respect of intellectual property projects, "Happy Little Submarine III: Rainbow Treasure", a 3D-animated film of the Group, was released in over 2,500 cinemas in the PRC on 31 May 2013, setting new records in China's animated film history in terms of the number of film prints for distribution as well as single-day box office receipts, having a total box office of over RMB57 million. The film was also awarded for Excellent Animation in the 15th China Movie Huabiao Awards Ceremony organized by the State Administration of Press, Publication, Radio, Film and Television of the PRC and the Best Animated Cartoon Screenplay in the 10th China Animation Golden Dragon Award.

The Group's development of digital animated technology exhibition and large event production business in Shenzhen and Beijing which commenced in 2012, performed well during the year. We participated in the production of various large-scale events, including cooperation with CCTV5 to deliver real-time experience by providing in-game content, such as virtual players and background, for NBA live broadcast, the production of the promotional clip for Emperor Qinshihuang's Mausoleum Site Museum and undertook all the CG production of "CCTV 2014 Program Resources Briefing".

Going forward, the Group's CG creation and production team will continue to exert effort in technological advancement to ensure our productions can match international standard and to strengthen our presence in the international market and to attract more potential customers in the industry. The fourth episode of the "Happy Little Submarine" series is in its preliminary stage of creative art design, and is expected to be released in the PRC in 2014, while "another 2D– and 3D-animated film namely "Super Three" (《三小強》) will also soon be on air nationwide. Furthermore, the Group is also working with the Television and Art Center under the Military and Political Bureau of Zainan (濟南軍區政治部電視藝術中心) to produce the first military-themed and animated television drama called, "Smart Shunliu" (《聰明的順溜》), which will head into its full production stage in 2014. With respect to digital animated technology exhibition and large event production business, we will focus on projects targeting high-tech modernization of traditional amusement facilities and settings by creating different themes using a combination of CG and exhibition technologies in 2014.

CG Training

In 2013, the revenue from our CG training business amounted to HK$15,740,000, representing a decrease of 12% when compared with that of HK$17,808,000 for the year 2012. In light of intense competition and market changes, our CG training business re-adjusted its strategies for the year. In response to the enormous demand for seasoned graphic effects designer in the gaming market, as well as a means to obtain a new stream of income, CG training segment launched new courses in relation to the post-production of games, films and TV in additions to its signature course “TV, Film and Animation Training”.

Certain CG animation courses conducted by some colleges and universities received negative publicity due to the inferior quality of courses and resulted in a gradual decline of enrollment. Against such backdrop, the Group’s CG training segment designed the syllabus in accordance with industry needs and offered “On-campus Training” and “Management Trainee” courses in collaboration with colleges to help students explore their interest in developing a career in the CG sector and ensure graduates are a good fit for corporations, so as to build up the image of tier-one occupational school among the academic institutions. The “Renowned Enterprises Recruitment Fair” held by our Shanghai Training School this year was a success with numerous acclaimed animation and gaming companies participating. It offered our students a chance to work for industry leaders and secure valuable employment opportunities.

CG training segment places great emphasis on developing our students’ skill sets and creativity, and encourages them to participate in inter-school competitions. During the year, artworks of two students from our Shanghai Training School, namely, “Certification” (《鑒定完畢》) and “When We Were Small” (《我們小時候》), won two animation awards in Shanghai University Students TV Fair, respectively, which boosted the reputation of our CG training business in the industry.

In 2014, CG training segment will commence its exploration on the feasibility of online education. Through an online platform, we offer real-time distance learning without any geographical restriction, thus adding more value to our courses. Apart from optimizing our website contents to enhance our promotional efforts, we also proactively improve our instructors’ educational skills to ensure they are well equipped to cover the broad scope of our courses that have to offer. Furthermore, we also strive to provide professional quality courses with a view to delivering a better operating performance.

Cultural Park

For the year ended 31 December 2013, the revenue from the Cultural Park business was HK$23,010,000, representing a growth of 1,662% from last year.

Phase I of the Cultural Park, in which the Group holds 68% interest, has a lettable floor area of approximately 15,000 square meters. This cinematic and musical-themed lifestyle zone attracted tenants from different sectors, including sizable chain stores, lifestyle and entertainment brands and gourmet restaurants. Phase I of the Cultural Park officially opened in April 2013. As of 31 December 2013, the occupancy rate of Phase I of the Cultural Park had reached 86%. With effective marketing and promotion, the brand recognition of the Cultural Park increased significantly, as evidenced by a steady growth in traffic flow. This is conducive to consolidating Phase I of the Cultural Park share in the highly competitive rental market in Guangzhou as well as securing the presence of various retailers.

In 2013, the Cultural Park organized a number of cultural, art and charity activities with the local government and charity groups. Not only did such events successfully attracted shoppers from other areas, but we also made valuable contributions to the local community.

The Group has completed the design of the project and is now working on the adjustment to and optimization of its business plan and positioning. It is expected that the Cultural Park will undergo brand reengineering in the first half of 2014 with a target of achieving better rental results and laying a sound foundation for project development of Phase II of the Cultural Park.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2013, the Group had bank balances and cash of HK$93,351,000 (2012: HK$309,178,000) which were mainly denominated in Hong Kong dollars, Renminbi, United States dollars and Euro dollars, and structured deposits of HK$185,164,000 (2012: Nil). The net decrease was mainly attributable to cash used in settlement of construction payable of HK$38,155,000 and repayment of bank loans of HK$30,769,000.

As at 31 December 2013, the Group's bank borrowings amounted to HK$117,948,000, of which HK$35,897,000 were repayable within twelve months from 31 December 2013 and HK$82,051,000 were repayable after twelve months from 31 December 2013. The borrowings were denominated in Renminbi and bore interest at market rates.

The Group's gearing ratio (calculated as borrowings divided by equity attributable to owners of the Company) as at 31 December 2013 was 12% (2012: 16%). As at 31 December 2013, the Group had a current ratio of 2.0 (2012: 2.2) based on current assets of HK$357,605,000 and current liabilities of HK$175,237,000. The improvement in the gearing ratio was mainly attributable to the repayment of the bank loan of HK$30,769,000 during the year.

CAPITAL STRUCTURE

The equity attributable to owners of the Company amounted to HK$956,129,000 as at 31 December 2013 (2012 : HK$904,521,000). The increase was mainly attributable to profit for the year ended 31 December 2013 attributable to owners of the Company of HK$33,833,000 and exchange differences arising on translation of foreign operations of HK$17,775,000.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

The Group did not have any material acquisitions, disposals and significant investment during the year ended 31 December 2013.

CHARGE ON ASSETS

As at 31 December 2013, the Group's building, plant and machinery and prepaid lease payments with an aggregate carrying value of HK$254,095,000 were pledged to a bank to secure for bank borrowings with an outstanding amount of HK$117,948,000. As at 31 December 2013, the Group had no unutilized banking facility.

FOREIGN EXCHANGE EXPOSURE

Currently, the Group earns revenue mainly in Renminbi, Euro and United States dollars while costs are mainly incurred in Renminbi and Hong Kong dollars. The Directors believe that the Group does 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 exposures. As at 31 December 2013, the Group had no significant exposure under foreign exchange.

CONTINGENT LIABILITIES

Saved as disclosed in note 11 about litigation proceedings, the Group had no significant contingent liabilities as at 31 December 2013.

EMPLOYEES

As at 31 December 2013, the Group employed 535 (2012: 509) full time employees (excluding those employees under the payroll of an associate of the Group). 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.

During the year ended 31 December 2013, the Company and its subsidiaries have neither paid nor committed to pay any amount as an inducement to join or upon joining the Company and/or its subsidiaries to any individual.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) during the year ended 31 December 2013.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the Corporate Governance Code throughout the year ended 31 December 2013 as set out in Appendix 15 of the GEM Listing Rules.

COMPLIANCE WITH CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of provisions 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 2013.

AUDIT COMMITTEE AND REVIEW OF CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Group for the year ended 31 December 2013 have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu. A meeting of the Audit Committee of the Company was held with the auditor and the management of the Company for, amongst other things, reviewing the final results of the Group for the year ended 31 December 2013.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2013 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year.

The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the Preliminary Announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "Annual General Meeting") will be held at The Residence, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 6 June 2014 at 10:00 a.m.. 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 Wednesday, 4 June 2014 to Friday, 6 June 2014 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 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 3 June 2014.

PUBLICATION OF FINAL RESULTS AND 2013 ANNUAL REPORT

The final results announcement of the Company is published on the websites of the GEM website (www.hkgem.com) and the Company's website (www.gdc-world.com). The annual report of the Company for the year ended 31 December 2013 will be dispatched to the Shareholders and published on the GEM website (www.hkgem.com) and the Company's website (www.gdc-world.com) in due course.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our shareholders, business partners and customers for their utmost support to the Group. I would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the year.

By Order of the Board
Li Shaofeng
Chairman

Hong Kong, 25 March 2014

As at the date of this announcement, the Board comprises Mr. Li Shaofeng (Chairman and Executive Director), Mr. Chen Zheng (Chief Executive Officer and Executive Director), Mr. Jin Guo Ping (Vice President and Executive Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Kwong Che Keung, Gordon (Independent non-executive Director), Prof. Japhet Sebastian Law (Independent non-executive Director) and Mr. Chan Chung Chun (Independent non-executive Director).

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.