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CHINA DIGITAL CULTURE (GROUP) LIMITED

中國數碼文化(集團)有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock code: 8175)

**(1) DELAY IN PUBLICATION OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2017 AND
DELAY IN DESPATCH OF ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017
(2) POSTPONEMENT OF BOARD MEETING
(3) CHANGE OF AUDITORS
AND
(4) SUSPENSION OF TRADING**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of China Digital Culture (Group) Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rules 17.10, 17.50(4), 18.03, 18.48A and 18.49 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

DELAY IN PUBLICATION OF ANNUAL RESULTS AND DELAY IN DESPATCH OF ANNUAL REPORT

Pursuant to Rules 18.03 and 18.49 of the GEM Listing Rules, the Company is required to publish the financial results of the Group for the year ended 31 December 2017 (the “**Annual Results**”) and to despatch the annual report of the Group for the year ended 31 December 2017 (the “**Annual Report**”) to the shareholders of the Company (the “**Shareholders**”) not later than three months after the end of the respective financial year, i.e. on or before 31 March 2018.

The Board wishes to inform the Shareholders that the Group will not be able to publish the Annual Results and to despatch the Annual Report on or before 31 March 2018 as required by 18.48A of the GEM Listing Rules due to the additional time required for the audit work of the financial information of the Group for the year ended 31 December 2017. The Company will publish the Annual Results and despatch the Annual Report as soon as practicable. Further announcement will be made by the Company in this respect as and when appropriate.

POSTPONEMENT OF BOARD MEETING

Reference is made to the announcement of the Company dated 19 March 2018 in relation to the date of a meeting of the Board (the “**Board Meeting**”) to be held on 29 March 2018, for the purpose of, among other things, to consider and approve the Annual Results. As a result of the delay in the finalisation of the Annual Results as mentioned hereinabove, the Board Meeting is accordingly postponed to another date to be fixed and announced by the Board.

CHANGE OF AUDITORS

During the course of audit of the Annual Results, Mazars CPA Limited (“**Mazars**”) has raised several outstanding matters (the “**Outstanding Matters**”) in relation to the audit of the Annual Results, which include:

- (i) the provision of additional information in support of transfer of license rights and broadcasting rights and provision of services and subcontracting services, including evaluation of the background of the customers and service providers, credit assessments on the customers;
- (ii) the details of assessment of the impairment of goodwill and intangible assets relating to multiple cash generating units; and investments in the unlisted companies as at 31 December 2017 by the management of the Company;
- (iii) the details of assessment on the net realisable value of inventories as at 31 December 2017 by the management of the Company; and
- (iv) the details of assessment on the recoverability of accounts and other receivables as at 31 December 2017 by the management of the Company.

The Company has been exerting its best effort to liaise with Mazars and aim at completing the audit and publication of the Annual Results. While the Company has continuously been providing the requested information and made arrangement in relation to the Outstanding Matters, due to time constraint, the Company was unable to furnish to Mazars in time to complete the audit of the Annual Results. After rounds of discussions between the Company and Mazars since 9 March 2018, there was no consensus reached on the matters in relation to the Outstanding Matters and the proposed timetable for the completion of audit, therefore the publication of the Annual Results could not be ascertained.

On 27 March 2018, the Company received a resignation letter from Mazars setting out the above, pursuant to which Mazars has resigned as the auditors of the Group with immediate effect.

Mazars has confirmed in its resignation letter that, except for the Outstanding Matters, there were no matters and circumstances connected with its resignation which it considered should be brought to the attention of the Shareholders. The Board confirmed that there is no disagreement between Mazars and the Company, and there are no matters in respect of the change of the auditors that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its gratitude to Mazars for their professional services and support in the past years.

The Board, in accordance with bye-law 163(B) of the bye-laws of the Company and with the recommendation from the audit committee of the Company, has resolved to appoint Elite Partners CPA Limited as the new auditors of the Group with effect from 27 March 2018 to fill the casual vacancy arising therefrom and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange of Hong Kong Limited will be suspended with effect from 9:00 am on 28 March 2018 pending from the publication of the Annual Results and the despatch of the Annual Report. Further announcement will be made by the Company in this respect as and when appropriate.

By order of the Board
China Digital Culture (Group) Limited
Hsu Tung Sheng
Chairman

Hong Kong, 27 March 2018

As at the date of this announcement, the executive Directors are Mr. Hsu Tung Sheng, Mr. Hsu Tung Chi, Ms. Zhang Jing and Mr. Lai Kwok Fai, Franki. The independent non-executive Directors are Mr. Kwok Chi Sun, Vincent, Mr. Wong Tak Shing and Mr. Gou Yanlin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at <http://www.cdcculture.com>.