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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)

SHARE REPURCHASE PLAN

This announcement is made by China Digital Culture (Group) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Pursuant to the repurchase mandate granted to the board of directors (the “**Directors**”) of the Company (the “**Board**”) at the annual general meeting of the Company held on 24 June 2019 (the “**AGM**”) for the repurchase of shares not exceeding 10% of the issued share capital of the Company as at the date of the AGM (the “**Repurchase Mandate**”), being 194,017,617 shares of the Company (the “**Shares**”), the Company has approved a share repurchase plan (the “**Share Repurchase Plan**”) to repurchase the Shares from the open market with immediate effect until the conclusion of the next annual general meeting of the Company. The exercise of the Repurchase Mandate is subject to the terms and conditions set out in the explanatory statement for repurchase of Shares contained in the circular of the Company despatched to the shareholders of the Company (the “**Shareholders**”) dated 21 May 2019.

The purpose of this announcement is to provide Shareholders with information on the Share Repurchase Plan.

DETAILS OF THE SHARE REPURCHASE PLAN

Under the GEM Listing Rules, the actual repurchase price of each Share shall not be higher by 5% or more than the average closing market price for the Shares over the five trading days immediately preceding each repurchase.

As at the date of this announcement, the Company has decided that it shall repurchase initially an amount of up to HK\$10,000,000 worth of Shares in accordance with the Share Repurchase Plan. The Share Repurchase Plan will be subject to the market conditions and the absolute discretion of the Board. The Group will finance the repurchase from its existing available cash reserves and free cash flow. The implementation of the Share Repurchase Plan will be subject to compliance with the Repurchase Mandate and applicable provisions of the Company's articles of association, the GEM Listing Rules and applicable Hong Kong and Bermuda laws. Any Shares repurchased under the Share Repurchase Plan will be cancelled.

The Board considers that the value of the Shares in the capital market does not reflect their intrinsic value. The Board believes that the current financial position of the Company would enable it to conduct the Share Repurchase Plan while maintaining sufficient financial resources for the continued growth of the Group's operations. In addition, the Board believes that the intention to exercise the Share Repurchase Plan reflects the confidence of the Board to the prospects of the Company.

As at the date of this announcement, the Company has repurchased a total of 410,000 Shares (the "**Repurchased Shares**") during the period from 24 June 2019 to 4 July 2019 pursuant to the Repurchase Mandate, at the highest purchase price of HK\$0.140 per Share and the lowest price of HK\$0.103 per Share. The aggregate consideration for the Repurchased Shares was approximately HK\$50,040 (before brokerage and expenses) and was financed by the Company's existing available cash. The Repurchased Shares represent approximately 0.021% of the existing total number of issued Shares as at the date of this announcement. The Repurchased Shares will be cancelled by the Company.

Shareholders and potential investors should note that the exercise of the Share Repurchase Plan will be subject to the market conditions and at the absolute discretion of the Board. There is no assurance of the timing, quantity or price of any share repurchases or whether the Company will make any further repurchases. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

Should the Company repurchase any Shares pursuant to the exercise of the Repurchase Mandate and the Share Repurchase Plan, the Company will comply with the relevant reporting requirements under the GEM Listing Rules.

By Order of the Board
China Digital Culture (Group) Limited
Hsu Tung Chi
Chairman, Chief Executive Officer, Executive Director

Hong Kong, 4 July 2019

As at the date of this announcement, the executive Directors are 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 Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited 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.cdculture.com>.