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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)

COMPLETION OF SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcements of China Digital Culture (Group) Limited (the “**Company**”) dated 31 July 2020 and 6 August 2020 (the “**Announcements**”) in relation to the Subscriptions of new Shares under General Mandate. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

COMPLETION OF THE SUBSCRIPTIONS

The Board is pleased to announce that the conditions precedent set out in the Subscription Agreements have been fulfilled and the Completion took place on 28 September 2020. An aggregate of 300,000,000 Subscription Shares have been allotted and issued by the Company to the Subscribers at the Subscription Price of HK\$0.046 per Subscription Share.

The gross proceeds raised from the Subscriptions are approximately HK\$13.8 million and the net proceeds, after deduction of all relevant expenses incurred in relation to the Subscriptions, are approximately HK\$13.5 million, which are intended to be used for general working capital of the Group.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The 300,000,000 Subscription Shares allotted and issued under the Subscription Agreements represent (i) approximately 14.85% of the issued share capital of the Company immediately before the Completion; and (ii) approximately 12.93% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The following table sets out the shareholding structure of the Company as a result of the Completion:

	Immediately before Completion		Immediately after Completion and as at the date of this announcement	
	Shares	%	Shares	%
Directors				
Mr. Hsu Tung Chi ¹	387,505,782	19.2	387,505,782	16.7
Ms. Zhang Jing ²	81,253,659	4.0	81,253,659	3.5
Mr. Lai Kwok Fai, Franki (resigned on 13 March 2020) ³	<u>23,629,778</u>	<u>1.2</u>	<u>23,629,778</u>	<u>1.0</u>
Sub-total	492,389,219	24.4	492,389,219	21.2
Subscribers				
Subscriber I	–	–	100,000,000	4.3
Subscriber II	–	–	100,000,000	4.3
Subscriber III	<u>–</u>	<u>–</u>	<u>100,000,000</u>	<u>4.3</u>
Sub-total	–	–	300,000,000	12.9
Other public Shareholders	<u>1,527,786,951</u>	<u>75.6</u>	<u>1,527,786,951</u>	<u>65.9</u>
Total	<u>2,020,176,170</u>	<u>100.0</u>	<u>2,320,176,170</u>	<u>100.0</u>

Notes:

1. Mr. Hsu Tung Chi (“**Mr. Hsu**”) beneficially owns 369,259,559 Shares. Daily Technology Company Limited, which is wholly owned by Mr. Hsu, beneficially owns 18,246,223 Shares.
2. Ms. Zhang Jing (“**Ms. Zhang**”) beneficially owns 53,853,659 Shares. Crown Smart Investment Limited, which is wholly owned by Ms. Zhang, beneficially owns 27,400,000 Shares.
3. Mr. Lai Kwok Fai, Franki (“**Mr. Lai**”) beneficially owns 960,000 Shares. Earn Wise Limited, which is wholly owned by Mr. Lai, beneficially owns 22,669,778 Shares.

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

Hong Kong, 28 September 2020

As of the date of this announcement, the executive Directors are Mr. Hsu Tung Chi and Ms. Zhang Jing and 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 GEM Listing Rules for the purpose of giving information with regards 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 the GEM website on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at <http://www.cdculture.com>.