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)

INSIDE INFORMATION
TRANSFER OF SHARES BY A SUBSTANTIAL SHAREHOLDER

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 of Hong Kong Limited (the "**GEM Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company was informed that, on 1 December 2020, Mr. Hsu Tung Chi ("**Mr. Hsu**"), an executive director and the chairman of the Company, transferred 194,231,692 ordinary shares of the Company (each, a "**Share**") representing approximately 8.37% of the entire issued share capital of the Company, to Asia Special Security Group Limited ("**Asia Special Security**") at a price of HK$0.047 per Share for a total consideration of HK$9,128,890 (the "**Transfer**"). To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquires, Asia Special Security is a third party independent of the Company and its connected persons (as defined in the GEM Listing Rules); and is not acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with (i) the controlling shareholder of the Company; (ii) the Directors, chief executive or the substantial shareholder(s) of the Company or their subsidiaries or any of their respective associates; and (iii) the Company or any of its subsidiaries.

Immediately before the Transfer, (i) Asia Special Security did not own any Shares; and (ii) Mr. Hsu was interested in 387,535,782 Shares, representing approximately 16.7% of the entire issued share capital of the Company. Immediately after the Transfer and as at the date of this announcement, (i) Asia Special Security is interested in 194,231,692 Shares, representing approximately 8.37% of the entire issued share capital of the Company and became the largest shareholder of the Company; and (ii) Mr. Hsu is interested in 193,304,090 Shares, representing approximately 8.33% of the entire issued share capital of the Company and as a result, ceased to be a substantial shareholder (as defined under the GEM Listing Rules) of the Company.

The Company does not expect that the Transfer will have any adverse effect on the operations of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 3 December 2020

As at the date of this announcement, the executive Directors are Mr. Hsu Tung Chi and Ms. Zhang Jing. 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 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.