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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE COOPERATION

This is a voluntary announcement made by China Digital Culture (Group) Limited (the “**Company**”) for keeping its shareholders and potential investors informed of the latest business development of the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby inform its shareholders and potential investors that, on 8 February 2021 (after trading hours), the Company entered into a memorandum of understanding for strategic sales and cooperation (the “**MOU**”) with ZW Data Action Technologies, Inc. (NASDAQ: CNET) (“**ZW Data**”), pursuant to which, both parties agreed to use their respective capital, platform and resource advantages to jointly promote and expand the development of blockchain, Key Opinion Leader (“**KOL**”) and e-sports platform and to jointly operate IP data for e-sports and games (the “**Possible Cooperation**”).

Through the Blockchain Infrastructure Framework platform and upgraded decentralized financial technology of ZW Data, ZW Data will assist the Company to create non-fungible tokens for IP products and concatenate the decentralized tokens (Defi Token), aiming to putting e-sports and game data on the blockchain for record-keeping, digital asset exchange, advertising and marketing, and trading, combing KOL and O2O sales channel for additional revenue growth.

ZW Data is established in 2003 and headquartered in Beijing, China, ZW Data offers online advertising, precision marketing, data analytics and other value-added services for enterprise clients. Leveraging its fully integrated services platform, proprietary database, and cutting-edge algorithms, ZW Data delivers customized, result-driven business solutions for small and medium-sized enterprise clients in China. The company also develops blockchain and artificial intelligence enabled web/mobile applications and software solutions for general public, enterprise clients, and government agencies. More information about the company can be found at: <http://www.zdat.com/>.

The MOU represents the preliminary mutual understanding of the parties and does not constitute any legally binding commitment in respect of the Possible Cooperation save and except that each party agrees to be legally bound by certain confidentiality clause pursuant to the MOU. The Possible Cooperation is subject to further negotiation and execution of the formal agreement(s) between the relevant parties, if any.

The Directors are of the view that the Possible Cooperation will introduce blockchain technology application and e-sports data operation model to existing business so as to broaden and diversify the Company's business and enriching the development of blockchain, KOL, and e-sports platform. The Directors consider that the Possible Cooperation could maximize the Company's business resources and advantages and is in line with the investment objectives and policies and the long term development strategy of the Company.

The Board wishes to emphasis that the cooperation contemplated under the MOU may or may not proceed and that the parties have not entered into a legally binding agreement in relation to the transaction contemplated under the MOU as at the date of this announcement. If the transactions contemplated under the MOU materialise, the Company will make further announcements as and when appropriate in accordance with the GEM Listing Rules. 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, 8 February 2021

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 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>.