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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)

PROFIT WARNING

This announcement is made by China Digital Culture (Group) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, it is anticipated that the Group will record a decrease in consolidated loss attributable to the Shareholders for the year ended 31 December 2020 of HK\$354,578,000 as compared to the loss attributable to Shareholders for the year ended 31 December 2019 of HK\$419,868,000. Based on the information currently available, the loss attributable to the Shareholders was mainly attributable to the following factors:

- (i) Impairment on goodwill due to the economic contraction stemming from the COVID-19 virus; and
- (ii) Decrease in revenue due to economic contraction stemming from the COVID-19 virus.

As the Company is still in the course of compiling the consolidated results of the Group for the year ended 31 December 2020, the information contained in this announcement is only based on, among others, a preliminary assessment of the management accounts of the Company and the expectation of the Board after taking into account the information currently available, and is not based on any data or information being audited or reviewed by the auditors of the Company. The financial results of the Group for the year ended 31 December 2020 are expected to be published by the end of March 2021. Shareholders and potential investors 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, 29 March 2021

As at the date of this announcement, the executive Directors are Mr. Hsu Tung Chi, Ms. Zhang Jing and Mr. Ng Fung Tai. 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; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on GEM website on the “Latest 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>.