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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)

RESUMPTION GUIDANCE AND CONTINUED SUSPENSION OF TRADING

This announcement is made by China Digital Culture (Group) Limited (the “**Company**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on 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).

Reference is made to the annual results announcement of the Company for the financial year ended 31 December 2020 (the “**2020 Annual Results Announcement**”) dated 31 March 2021 and the announcement of the Company dated 1 April 2021 in relation to the suspension of trading in the shares of the Company on the Stock Exchange. Unless otherwise specified, terms used in this announcement shall have the meanings as defined in the 2020 Annual Results Announcement.

RESUMPTION GUIDANCE

On 17 June 2021, the Board received a letter (the “**Letter**”) from the Stock Exchange setting out the following guidance (the “**Resumption Guidance**”) for the resumption of trading in shares of the Company:

- (a) address the issues giving rise to the disclaimer of opinion on the 2020 Annual Results Announcement, provide comfort that the disclaimer of opinion in respect of such issues would no longer be required and disclose sufficient information to enable investors to make an informed assessment of the Company’s financial positions as required under Rule 17.49B of the GEM Listing Rules; and

- (b) announce all material information for the Company's shareholders and investors to appraise the Company's position.

The Stock Exchange indicates that the Company must remedy the issues that may arise from time to time and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction before trading in its shares is allowed to resume and, for this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange further indicates that it may modify or supplement the Resumption Guidance and/or give further guidance if the Company's situation changes.

Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the Company's listing if trading in the Company's shares has been suspended for a continuous period of 12 months.

Under Rule 17.49C of the GEM Listing Rules, as a transitional arrangement for issuers whose securities have been suspended from trading under Rule 17.49B of the GEM Listing Rules, the 12-month period referred to in Rule 9.14A(1) of the GEM Listing Rules is extended to 24 months if the suspension during the 12-month period is only due to a disclaimer or adverse opinion on the issuer's financial statements for the financial years commencing between 1 September 2019 and 31 August 2021, both dates inclusive. Accordingly, in the case of the Company, the 12-month period under Rule 9.14A(1) of the GEM Listing Rules expires on 31 March 2022. This 12-month period will be extended for 12 months under Rule 17.49C of the GEM Listing Rules to 31 March 2023 if the transitional arrangement under Rule 17.49C of the GEM Listing Rules applies.

If the Company fails to fulfil the Resumption Guidance and comply with the GEM Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 31 March 2022 or, if the transitional arrangement under Rule 17.49C of the GEM Listing Rules applies, by 31 March 2023, the Listing Division of the Stock Exchange will recommend the GEM Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rule 9.15 of the GEM Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company is currently working with its advisers to take the necessary steps to comply with the Resumption Guidance with the aim of resuming trading in its shares as soon as practicable. The Company is expected to announce its first quarterly updates on or before 30 June 2021 and every 3 months from that date until resumption or cancellation of listing (whichever is earlier). The Company will also update the shareholders and potential investors of the Company on any further development on the above matters by way of further announcement(s) as and when necessary in accordance with the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in its shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021. Pending fulfilment of the Resumption Guidance, trading in the Company's shares on the Stock Exchange will remain suspended until further notice.

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

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

Hong Kong, 22 June 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 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>.