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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)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGES IN THE COMPOSITION OF BOARD COMMITTEES

Reference is made to the announcement of China Digital Culture (Group) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 July 2021 (the “**Resignation Announcement**”) in relation to Mr. Kwok Chi Sun, Vincent’s resignation as an independent non-executive director of the Company with effect from 8 July 2021.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that Mr. Hong Hui Lung (“**Mr. Hong**”) has been appointed as an independent non-executive Director and the chairman of each of the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Company with effect from 1 November 2021.

The biographical details of Mr. Hong are set out below:

Mr. Hong, aged 53, graduated from The University of Hong Kong with a bachelor’s degree in science in 1992. After graduation, Mr. Hong had worked in an international audit firm. Mr. Hong has professional expertise and extensive experience in investment banking for about 16 years. Mr. Hong has also participated as speakers of professional trainings and seminars regarding the regulation, landscape and development of Hong Kong and China capital markets. Mr. Hong is a fellow member of the Association of Chartered Certified Accountants. Mr. Hong is currently an independent non-executive director of China Environmental Energy Investment Limited (stock code: 986), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. Hong has entered into a service contract with the Company for a term of one year with effect from the date of this announcement, which will continue thereafter until terminated by either party giving not less than one month's notice in writing. Mr. Hong shall be subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. Mr. Hong will be entitled to receive a director's fee of HK\$60,000 per annum which is determined by the Board and reviewed by the remuneration committee of the Company with reference to his qualification and experience, his duties and responsibilities in the Group and the prevailing market conditions.

To the best knowledge of the Board and save as disclosed above, Mr. Hong (i) did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years preceding the date of this announcement; (ii) does not hold any other position with the Company and other members of the Group or possess any other major appointments or professional qualifications; (iii) does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company; and (iv) is not interested in and does not hold any short position in the shares or underlying shares or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571) of the Law of Hong Kong.

The Board would like to disclose that Mr. Hong had a public sanction, which was made by the Securities and Futures Commission of Hong Kong (the "SFC") against him. According to the news release published by the SFC on 7 June 2012, Mr. Hong's licenses were revoked by the SFC, arising from the listing application of Hontex International Holdings Company Limited which Mega Capital (Asia) Company Limited was the sponsor and Mr. Hong was one of the sponsor principals. SFC's main findings are, among other things, his supervisory failures, and the SFC found no evidence that Mr. Hong was involved in any fraud and has not made findings against Mr. Hong for dishonesty or taking unfair advantage from his failures.

Save as disclosed above, the Board is not aware of any other matters in relation to the appointment of Mr. Hong as an independent non-executive Director that need to be brought to the attention of the shareholders of the Company, nor is there any other information that should be disclosed by the Company pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

The Board would like to take this opportunity to welcome Mr. Hong for joining the Board.

CHANGES IN THE COMPOSITION OF BOARD COMMITTEES

Upon the appointment of Mr. Hong as an independent non-executive Director and the foregoing changes in the composition of the board committees of the Company:

- (i) the number of independent non-executive Directors amounted to three and represented more than one-third of the Board;
- (ii) the number of members of each of the Audit Committee, Nomination Committee and Remuneration Committee amounted to three respectively; and

(iii) the position of chairman of the each of the Audit Committee, Nomination Committee and Remuneration Committee has been filled,

as a result of which the Company has duly complied with rules 5.05(1), 5.28 and 5.34 of the GEM Listing Rules and code provision A.5.1 of the Corporate Governance Code, respectively.

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

Hong Kong, 1 November 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. Wong Tak Shing, Mr. Gou Yanlin and Mr. Hong Hui Lung.

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>.