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China Digital Video Holdings Limited

中國數字視頻控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8280)

**DISCLOSEABLE TRANSACTION
FORMATION OF JOINT VENTURE**

FORMATION OF JOINT VENTURE

On 15 March 2022 (after trading hours), CDV WFOE (a wholly-owned subsidiary of the Company), Beijing Yuweihao and Beijing Ruijiting entered into the Articles, pursuant to which the parties thereto agreed to establish the Joint Venture with the agreed scope of business of the Joint Venture, being information systems integration service, digital cultural creative content application service, digital content production service and transmission of audio-visual programs through information networks, and regulate their respective rights and obligations in the Joint Venture.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the capital contribution of CDV WFOE under the Articles exceed 5% but less than 25%, the formation of the Joint Venture under the Articles and the transactions contemplated thereunder constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements as specified in Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 15 March 2022 (after trading hours), CDV WFOE (a wholly-owned subsidiary of the Company), Beijing Yuweihao and Beijing Ruijiting entered into the Articles, pursuant to which the parties thereto agreed to establish the Joint Venture with the agreed scope of business of the Joint Venture, being information systems integration service, digital cultural creative content application service, digital content production service and transmission of audio-visual programs through information networks, and regulate their respective rights and obligations in the Joint Venture.

PRINCIPAL TERMS OF THE ARTICLES

Date: 15 March 2022

Parties: (i) CDV WFOE;
(ii) Beijing Yuweihao; and
(iii) Beijing Ruijiting.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Beijing Yuweihao and Beijing Ruijiting and their ultimate beneficial owners are Independent Third Parties

Name of the Joint Venture: 圖騰視界(廣州)數字科技有限公司 (Tuteng Shijie (Guangzhou) Digital Technology Limited Company*)

Business scope of the Joint Venture: Information systems integration service, digital cultural creative content application service, digital content production service and transmission of audio-visual programs through information networks.

Capital Contribution:

The registered capital of the Joint Venture shall be RMB30.0 million which were determined after arm's length negotiations among the parties and shall be contributed by the parties in cash in the following proportion:

Party	Capital contribution (RMB)	% of equity interest in the Joint Venture
CDV WFOE	9.0 million	30%
Beijing Yuweihao	9.0 million	30%
Beijing Ruijiting	12.0 million	40%
Total	30.0 million	100%

The parties shall pay their respective capital contributions on or before 15 March 2042.

Restriction on transfers:

The shareholders of the Joint Venture can transfer all or part of their equity interests in the Joint Venture among themselves. No transfer of equity interests in the Joint Venture by any shareholder to any third party shall be allowed unless such transfer is approved by a simple majority of the non-selling shareholder(s).

The non-selling shareholder(s) of the Joint Venture shall have a pre-emptive right to acquire the equity interest proposed to be transferred.

Management:

The Joint Venture will not have a board of directors. An executive director responsible for the management and operation of the Joint Venture will be appointed at the shareholders' meeting for a term of three years. The retiring executive director can be re-elected upon expiration of the term of office.

The manager of the Joint Venture shall be appointed or removed by the executive director. The Joint Venture shall have one supervisor to be appointed at the shareholders' meeting. Directors and senior management of the Joint Venture may not concurrently serve as supervisor.

Profit distribution:

The Joint Venture shall withdraw 10% of its profit after tax as statutory provident fund, until it reaches 50% of its registered capital, by then it may cease to make contribution to such fund.

The profits after tax of the Joint Venture, after deduction of the statutory provident fund, may be distributed to the shareholders of the Joint Venture in proportion to their respective capital contributions in the Joint Venture.

REASONS FOR AND BENEFITS OF THE FORMATION OF JOINT VENTURE

The Board are of the view that the formation of Joint Venture represents a good opportunity for the Group to develop the technology, products, applications and services (a) of interactive 4K/8K ultra high definition videos, (b) in the digital new infrastructure field, such as virtual reality, augmented reality and mixed reality; (c) in the intelligent sports field, such as sports relay broadcast, sports show and venue operation; and (d) of artificial intelligence, 5G cloud broadcast, virtual scene, virtual digital human/ idol, meta universe and other intelligent business. Further, the Board believes that Guangzhou is currently one of the best developed region in China for the ultra high definition industry and has the strongest government support and policy support. Choosing Guangzhou as the place of establishment of the Joint Venture is beneficial to the development of the Group.

The capital contribution of RMB9.0 million to be contributed by CDV WFOE shall be satisfied by internal resources of the Group.

In view of the aforesaid, the Directors consider that the terms of the Articles and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and it is in the interests of the Company and its shareholders as a whole to enter into the Articles.

“Beijing Yuweihao”	Beijing Yuweihao Technology Center (Limited Partnership) * (北京裕微豪科技中心(有限合夥)), a limited partnership established in the PRC;
“Beijing Ruijiting”	Beijing Ruijiting Technology Center (Limited Partnership) * (北京瑞基庭科技中心(有限合夥)), a limited partnership established in the PRC;
“Board”	the board of Directors;
“CDV WFOE”	China Digital Video (Beijing) Limited* (新奧特(北京)視頻技術有限公司), a company established in the PRC which is an indirectly wholly-owned subsidiary of the Company;
“Company”	China Digital Video Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on GEM (stock code: 8280);
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	director(s) of the Company;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons;
“Joint Venture”	圖騰視界(廣州)數字科技有限公司 (Tuteng Shijie (Guangzhou) Digital Technology Limited Company), a joint venture company to be established in the PRC pursuant to the Articles;
“PRC”	the People’s Republic of China, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative region of the PRC and Taiwan;

“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent

By order of the Board of
China Digital Video Holdings Limited
ZHENG Fushuang
Chairman

Hong Kong, 15 March 2022

As at the date of this announcement, the executive Directors are Mr. ZHENG Fushuang, Mr. PANG Gang and Mr. LIU Baodong, and the independent non-executive Directors are Dr. LI Wanshou, Mr. Frank CHRISTIAENS and Ms. CAO Qian.

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven (7) days from the date of its posting and be posted on the website of the Company at www.cdv.com.

** For identification purposes only*