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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)

POSITIVE PROFIT ALERT

This announcement is made by China Digital Video Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rule) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a significant increase in its net profit for the six months ended 30 June 2016 (the “**2016 Interim Period**”) as compared to the six months ended 30 June 2015 (the “**2015 Interim Period**”). Such significant increase was primarily attributable to the fair value gain on redeemable convertible preferred shares as a result of the completion of the global offering and the listing of shares of the Company on the Growth Enterprise Market of the Stock Exchange (the “**Listing**”) in the 2016 Interim Period. The adjusted net profit of the Group (excluding share-based compensation expense, fair value gain or loss on redeemable convertible preferred shares, expenses related to the Listing, gain on disposal of intangible assets and gain on disposal of a subsidiary) is also expected to increase significantly for the 2016 Interim Period as compared to that of the 2015 Interim Period. Such increase was mainly attributable to (a) the increase in gross profit and the improvement of gross profit margin; and (b) the decrease in the income tax expenses due to the recognition of preferential income tax rate of a subsidiary of the Company in the 2016 Interim Period.

This announcement is made solely on the basis of a preliminary assessment made by the management of the Company with reference to information available for the time being, including the unaudited financial information of the Group, which has not been reviewed by the Company's auditor and the audit committee. Finalised interim results of the Group for the 2016 Interim Period will be disclosed in the interim results announcement of the Company, which is expected to be published on or around 10 August 2016.

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 Video Holdings Limited
Zheng Fushuang
Chairman

Hong Kong, 5 August 2016

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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.

As at the date of this announcement, the executive Directors of the Company are Mr. ZHENG Fushuang, Mr. GUO Langhua and Mr. LIU Baodong, and the independent non-executive Directors are Mr. Frank CHRISTIAENS, Mr. ZHANG Yaqin and Ms. CAO Qian.

This announcement will remain on the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.cdv.com.