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## **China 3D Digital Entertainment Limited**

**中國 3D 數碼娛樂有限公司 \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8078)**

### **VOLUNTARY ANNOUNCEMENT**

### **JOINT INVESTMENT AGREEMENT**

This is a voluntary announcement made by China 3D Digital Entertainment Limited (the “**Company**” and together with its subsidiaries, the “**Group**”).

Reference is made to the announcement of the Company dated 23 October 2015 in respect of the Company will have long-term strategic co-operation with iQIYI Motion Pictures (“**iQIYI**”), the largest video platform and online movie library which boasts the largest storage of movies in The People’s Republic of China (“**PRC**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that on 9 May 2016, the Company entered into a legally binding joint investment agreement (the “**Joint Investment Agreement**”) with iQIYI pursuant to which the Group and iQIYI agreed to co-invest, produce and distribute the first movie tentatively named 《Death Notify “**暗黑者**”》 (the “**Movie**”) in the PRC and internationally. Pursuant to the Joint Investment Agreement, the investment amount of the Movie is approximately RMB80 million, the Group will contribute 60% and the iQIYI will contribute 40% to the production and distribution of the Movie.

By entering into the Joint Investment Agreement, the Company and iQIYI has established a strategic cooperative relationship by starting of the cooperation of this Movie, other movies project will be followed onwards. According to the Joint Investment Agreement, iQIYI will be responsible for, amongst other things, for the promotion and distribution of the Movie in PRC; while the Company will be responsible for, amongst other things, obtaining the copyright of the script for the Movie, obtaining the necessary approvals from respective authorities, production and distribution of the Movie in worldwide.

According to the Joint Investment Agreement, each of the Company and iQIYI is entitled to the intellectual property rights of various components of the Movie in accordance with their respective contribution to the total investment of the production and distribution of the Movie. In addition, the Company and iQIYI is entitled to a distribution agent fee in an amount representing 60% or 40% of the total net income derived from distribution of the Movie in regions outside the PRC and in the PRC, respectively.

## **Information relating to the PRC Party**

According to information provided by iQIYI, iQIYI is the largest video platform in the PRC. In addition to its online movie library which boasts the largest storage of movies in the PRC, according to iResearch mUserTracker's latest data, as at July 2015, the monthly user coverage of iQIYI has reached 219 million, ranking at fourth in China's mobile internet market in terms of amount of users per month, behind only to WeChat, QQ and Taobao. In terms of length of usage, the monthly total effective usage time of iQIYI has reached 1,816 million hours, behind only to WeChat and QQ. In the area of video viewing, iQIYI is first in almost every statistical category including average users per day, monthly users, average length of usage per day and monthly length of usage.

This strategic cooperation with iQIYI not only fully demonstrated that iQIYI has confidence in the Group's movies production, but also enable the Group to extend its movie coverage towards movie fans across all of the PRC in the future through iQIYI's extensive network in the PRC, thus achieving synergy effects. The strategic cooperation enables the Group to further expand its movie business in the PRC and the Group believes that ideal return will be generated in terms of revenue from the PRC business in the future. The Board believes that entering into a cooperation relationship with iQIYI is in the best interests of the Company and its shareholders as a whole.

By Order of the Board  
**China 3D Digital Entertainment Limited**  
**Shiu Stephen Junior**  
*Chairman*

Hong Kong, 9 May 2016

*As at the date hereof, the Board comprises:*

*Executive Directors:* Mr. Shiu Stephen Junior (*Chairman*)  
Mr. Sun Lap Key, Christopher  
Mr. Lee Wing Ho, Albert  
Mr. Chau Sai Ho, Charles

*Independent Non-executive Directors:* Mr. Chan Chi Ho  
Mr. Kam Tik Lun  
Mr. Tam Kwok Ming, Banny

*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 GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for seven days from the day of its posting and on the website of the Company at [www.china3d8078.com](http://www.china3d8078.com).*

*\* for identification purposes only*