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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)**

**CONNECTED TRANSACTIONS**

**THE BIG DATA PLATFORM COOPERATION AGREEMENT**

**AND**

**THE SERVICE PROVIDER COOPERATION AGREEMENT**

**THE BIG DATA PLATFORM COOPERATION AGREEMENT AND THE SERVICE PROVIDER COOPERATION AGREEMENT**

On 18 December 2018 (after trading hours), CDV WFOE, a wholly-owned subsidiary of the Company, entered into the Big Data Platform Cooperation Agreement with CBA and Beijing Xiaoshuju in relation to the establishment of big data platform for CBA at a consideration of RMB5,210,700. Pursuant to the Big Data Platform Cooperation Agreement, CDV WFOE and Beijing Xiaoshuju shall jointly provide China basketball big data platform solutions to CBA.

On 18 December 2018 (after trading hours), CDV WFOE and Beijing Xiaoshuju, both being the service providers of CBA for the establishment of the big data platform, entered into the Service Provider Cooperation Agreement, which sets out the specific work allocations and fee splitting arrangements between CDV WFOE and Beijing Xiaoshuju under the Big Data Platform Cooperation Agreement.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Beijing Xiaoshuju is owned as to 35.4% by CDV Investment, which is in turn owned as to 80% by Mr. Zheng Fushuang, the executive Director and ultimate controlling shareholder of the Company. Beijing Xiaoshuju is therefore a connected person of the Company as defined under Chapter 20 of the GEM Listing Rules. Accordingly, the transactions contemplated under the Big Data Platform Cooperation Agreement and the Service Provider Cooperation Agreement constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios calculated under Chapter 20 of the GEM Listing Rules exceed 0.1% but are less than 5%, the transactions contemplated under the Big Data Platform Cooperation Agreement and the Service Provider Cooperation Agreement are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **INTRODUCTION**

On 18 December 2018 (after trading hours), CDV WFOE, a wholly-owned subsidiary of the Company, entered into the Big Data Platform Cooperation Agreement with CBA and Beijing Xiaoshuju in relation to the establishment of big data platform for CBA (the “**Project**”) at a consideration of RMB5,210,700. Pursuant to the Big Data Platform Cooperation Agreement, CDV WFOE and Beijing Xiaoshuju shall jointly provide China basketball big data platform solutions to CBA.

On 18 December 2018 (after trading hours), CDV WFOE and Beijing Xiaoshuju, both being the service providers of CBA for the establishment of the big data platform, entered into the Service Provider Cooperation Agreement, which sets out the specific work allocations and fee splitting arrangements between CDV WFOE and Beijing Xiaoshuju under the Big Data Platform Cooperation Agreement.

## **MAJOR TERMS OF THE BIG DATA PLATFORM COOPERATION AGREEMENT**

The major terms of the Big Data Platform Cooperation Agreement are set out below:

### **Date**

18 December 2018 (after trading hours)

## **Parties**

- (1) CBA;
- (2) CDV WFOE; and
- (3) Beijing Xiaoshuju.

## **Term of the Big Data Platform Cooperation Agreement**

The term commences from the date of the agreement and shall complete within 15 months (including design, research and development, installation and online trial operation of the big data platform, but excluding the six months of online trial operation).

## **Responsibilities of the Parties**

CDV WFOE is one of the service providers for the building of the big data platform and is responsible for the overall management and execution of the Project, including the progress and quality of the Project, project design and implementation. CDV WFOE is also responsible for the design and development of the registration system, game management, data collection, referee monitoring, media management and level management systems.

Beijing Xiaoshuju is one of the service providers for the building of the big data platform and is responsible for the design and development of the big data platform, including the platform integration, public services big data analysis, information release and training management systems.

CBA shall pay CDV WFOE and Beijing Xiaoshuju the fees pursuant to the terms and conditions of the Big Data Platform Cooperation Agreement. CBA shall also organise internal review and expert review to ensure that the Project progresses as scheduled.

## **Consideration**

Based on the estimated workload for setting up the big data platform and the arm's length negotiation among CBA, CDV WFOE and Beijing Xiaoshuju, the total consideration to be paid by CBA under the Big Data Platform Cooperation Agreement is RMB5,210,700 (the "**Consideration**"). Pursuant to the Big Data Platform Cooperation Agreement, CBA shall pay the Consideration in cash to CDV WFOE.

CBA shall pay 30% of the Consideration, being RMB1,563,210, within 10 days of execution of the Big Data Platform Cooperation Agreement.

Upon completion of the online trial operation of the big data platform, CDV WFOE or Beijing Xiaoshuju shall inform CBA to conduct review. Within 10 days of the passing of the initial expert review, CBA shall pay 30% of the Consideration, being RMB1,563,210, to CDV WFOE.

Within 10 days after the completion of the online trial operation for six months, CBA shall complete the final expert review and issue the final expert report. CBA shall then pay 30% of the Consideration, being RMB1,563,210, to CDV WFOE within 10 days after the issue of such final expert report.

The remaining 10% of the Consideration, being RMB521,070 shall be paid by CBA to CDV WFOE within 10 days after the expiration of the warranty period.

### **SERVICE PROVIDER COOPERATION AGREEMENT**

On 18 December 2018 (after trading hours), CDV WFOE and Beijing Xiaoshuju, both being the service providers of CBA for the establishment of the big data platform, entered into the Service Provider Cooperation Agreement in order to set out the specific workloads that are attributable to CDV WFOE and Beijing Xiaoshuju and the fee splitting arrangements between CDV WFOE and Beijing Xiaoshuju under the Big Data Platform Cooperation Agreement. Based on the respective works allocated to CDV WFOE and Beijing Xiaoshuju for the establishment of the big data platform for CBA, CDV WFOE is entitled to approximately 58% of the consideration and Beijing Xiaoshuju is entitled to approximately 42% of the consideration. CDV WFOE shall transfer the respective portion of the consideration in cash to Beijing Xiaoshuju within 5 days upon receipt of each tranche payment from CBA.

### **REASONS FOR AND BENEFITS OF THE BIG DATA PLATFORM COOPERATION AGREEMENT AND THE SERVICE PROVIDER COOPERATION AGREEMENT**

The transactions contemplated under the Big Data Platform Cooperation Agreement and the Service Provider Cooperation Agreement are carried out in the ordinary and usual course of business of the Group. As disclosed in the prospectus of the Company dated 15 June 2016, the Company sought to leverage its core strengths in digital video technology to expand into a wider range of products and applications. The Directors believe that the Project represents a good business opportunity to the Group as it is a major sports big data platform project in the PRC which requires experience in event management, data collection and data analysis. CBA has been a customer of CDV WFOE and CDV WFOE has over 20 years of experience in event registration, event management, data collection and event broadcasting. The Directors expect that (a) the co-operation with Beijing Xiaoshuju in big data analysis and application under the Big Data Platform Cooperation Agreement enables the

Group to explore the possibility of providing all-round digital video technology solutions and services to potential clients; and (b) the successful completion of the Project will allow the Group to increase the depth and breadth of the Group's portfolio of solutions, services and products.

The Directors, including the independent non-executive Directors, are in the view that the transactions contemplated under the Big Data Platform Cooperation Agreement and the Service Provider Cooperation Agreement are carried out in the ordinary course of business of the Group and the terms of the Big Data Platform Cooperation Agreement and the Service Provider Cooperation Agreement are normal commercial terms and thus fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Mr. Zheng Fushuang, the executive Director and ultimate controlling shareholder of the Company, is indirectly owns 35.4% of the equity interest of Beijing Xiaoshuju through CDV Investment. Mr. Xu Da, the executive Director, directly owns 20% of the equity interest of CDV Investment, which is a controlling shareholder of Beijing Xiaoshuju. Mr. Zheng Fushuang and Mr. Xu Da have abstained from voting on the relevant board resolutions in relation to the approval of the Big Data Platform Cooperation Agreement and the Service Provider Cooperation Agreement.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Beijing Xiaoshuju is owned as to 35.4% by CDV Investment, which is in turn owned as to 80% by Mr. Zheng Fushuang, the executive Director and ultimate controlling shareholder of the Company. Beijing Xiaoshuju is therefore a connected person of the Company as defined under Chapter 20 of the GEM Listing Rules. Accordingly, the transactions contemplated under the Big Data Platform Cooperation Agreement and the Service Provider Cooperation Agreement constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios calculated under Chapter 20 of the GEM Listing Rules exceed 0.1% but are less than 5%, the transactions contemplated under the Big Data Platform Cooperation Agreement and the Service Provider Cooperation Agreement are only subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **GENERAL INFORMATION**

### **Information on the Group**

The Group is a leading digital video technology and service company in the TV broadcasting industry in the PRC. It provides a full range of solutions, services and products to TV broadcasters and other digital video content providers to effectively assist and enhance digital video content in the upgrade and management works in the post-production segment, a critical part of the PRC TV broadcasting market.

### **Information on CDV WFOE**

CDV WFOE is a company established in the PRC and an indirect wholly-owned subsidiary of the Company. It provides a full range of solutions, service and products to TV broadcasters and other digital video content providers, focusing mainly on the post-production segment.

### **Information on Beijing Xiaoshuju**

Beijing Xiaoshuju a company established in the PRC. It integrates new-generation information technology such as media technology, big data, artificial intelligence and Internet of Things into the sports industry, builds a super-sports data platform based on artificial intelligence, and provides sports event services. As at date of this announcement, Beijing Xiaoshuju is owned as to 35.4% by CDV Investment, which is in turn owned as to 80% by Mr. Zheng Fushuang, the executive Director and ultimate controlling shareholder of the Company.

## **INFORMATION ON CBA**

The CBA (China Basketball Association) was established in June 1956. It is a national non-profit sports organization with independent legal personality. It is a member of the All-China Sports Federation, an Olympic project organization recognized by the Chinese Basketball Association and Asian Basketball Federation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CBA is an independent third party not connected with the Company and its connected person.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Beijing Xiaoshuju”	Beijing Xiaoshuju Media Technology Co., Ltd. (北京曉數聚傳媒科技有限公司), a company established in the PRC;
“Big Data Platform Cooperation Agreement”	the Chinese basketball big data platform cooperation agreement (中國籃球大數據平台項目合作協議) dated 18 December 2018 entered into among CBA, CDV WFOE and Beijing Xiaoshuju;
“Board”	the board of Directors;
“CBA”	China Basketball Association (中國籃球協會);
“CDV Investment”	China Digital Video Investment Group Co.,Ltd. (北京新奧特科技集團有限公司), a company established in the PRC with limited liability;
“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 Island with limited liability, the shares of which are listed on GEM;
“connected person”	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;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;

“Service Provider Cooperation Agreement”	the service provider cooperation agreement (中國籃球大數據平台項目建設方內部合作協議書) dated 18 December 2018 entered into between CDV WFOE and Beijing Xiaoshuju;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	Per cent.

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

Beijing, 18 December 2018

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

*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](http://www.hkgem.com) for at least 7 days from the date of its posting and be posted on the website of the Company at [www.cdv.com](http://www.cdv.com).*