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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)

PROFIT WARNING

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 GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on a preliminary review and analysis of the latest available unaudited consolidated management accounts of the Group, it is expected that the consolidated net loss for the year ended 31 December 2021 (the “**Financial Year 2021**”) is likely to be significantly higher than the Group’s consolidated net loss of approximately RMB69.1 million for the year ended 31 December 2020 (the “**Financial Year 2020**”).

The expected loss for the Financial Year 2021 is primarily attributable to the following reasons:

1. a decrease in revenue by approximately 20% for the Financial Year 2021 from RMB312.0 million for the Financial Year 2020. Such decrease is mainly due to the slow down of TV stations in upgrading their programmes as a result of the impact of internet video media;
2. an increase in selling and marketing expenses by approximately 53% for the Financial Year 2021 from RMB43.6 million for the Financial Year 2020. The increase is primarily attributable to higher travel and business development expenses for sales staff due to easing of pandemic restriction and control measures in the Financial Year 2021; and

3. an increase in impairment loss on intangible assets to more than RMB24 million for the Financial Year 2021 from RMB3.1 million for the Financial Year 2020 due to the decrease in revenue arising from using such intangible assets in the Financial Year 2021.

The actual amount of the above financial figures for the Financial Year 2021 are subject to final audit by the Company's auditor.

The Board would like to emphasise that the impairment loss on intangible assets is a non-cash item and will not affect the Group's daily operations and cash flows.

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 consolidated management accounts of the Group, which has not been reviewed nor confirmed by the Company's auditor and the audit committee of the Company. The above information may be subject to possible adjustments upon further review. Due to the travel restriction and quarantine measures implemented as a result of the outbreak of COVID-19 in Mainland China and Hong Kong, it is currently expected that the Company will not be in a position to publish the 2021 audited annual results announcement that has been agreed with its auditor by 31 March 2022. Given additional time is required to complete the necessary audit work, the Company will publish the unaudited consolidated management accounts of the Group for the Financial Year 2021 on 31 March 2022 . It is expected that the 2021 audited annual results announcement of the Company will be published on or before 30 April 2022 after they have been agreed with the Company's auditor. The Board wishes to emphasize that the operation of the Group remains normal.

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 of
China Digital Video Holdings Limited
ZHENG Fushuang
Chairman

Hong Kong, 30 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 Listed Company Information” 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.