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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Digital Video Holdings Limited** (the “Company”), you should at once hand this circular, together with the enclosed form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR AND CONNECTED TRANSACTION CAPITAL REDUCTION IN A JOINT VENTURE AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “**Definitions**” in this Circular.

A Letter from the Board is set out on pages 4 to 18 of this Circular.

A notice convening the extraordinary general meeting of the Company to be held at 8/F, China Digital Video Technical Plaza, No. 131 West Fourth Ring Road N, Haidian District, Beijing, PRC at 10:00 a.m. on 13 April 2026 is set out on pages 46 to 48 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.cdv.com).

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjourned meeting thereof if they so wish.

This circular will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.cdv.com.

20 March 2026

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this Circular, unless the context requires otherwise, the following terms and expressions shall have the following meanings:

“%”	per cent
“Announcement”	the announcement of the Company dated 19 January 2026 in relation to the Capital Reduction
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Beijing Nengyimei”	Beijing Nengyimei Technology Center (Limited Partnership)* (北京能易美科技中心(有限合夥)), a limited partnership duly established under the laws of the PRC
“Beijing Shiyimei”	Beijing Shiyimei Technology Center (Limited Partnership)* (北京視易美科技中心(有限合夥)), a limited partnership duly established under the laws of the PRC
“Beijing Zhiyimei”	Beijing Zhiyimei Technology Center (Limited Partnership)* (北京智易美科技中心(有限合夥)), a limited partnership duly established under the laws of the PRC
“Board”	the board of Directors
“Capital Reduction”	the reduction of the registered capital in the Joint Venture contemplated under the Capital Reduction Agreement
“Capital Reduction Agreement”	the capital reduction agreement dated 19 January 2026 entered into among the Joint Venture, CDV BJ and the Other JV Parties
“CDV BJ”	Xinaote (Beijing) Video Technology Co., Ltd.* (新奧特(北京)視頻技術有限公司), a company established in the PRC with limited liability
“CDV Investment”	Xinaote Investment Group Co., Ltd.* (新奧特投資集團有限公司), a company established in the PRC with limited liability
“Circular”	this circular, including the appendices hereto
“Company”	China Digital Video Holdings Limited (中國數字視頻控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (stock code: 8280)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules

DEFINITIONS

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 8/F, China Digital Video Technical Plaza, No. 131 West Fourth Ring Road N, Haidian District, Beijing, PRC at 10:00 a.m. on 13 April 2026 for the purpose of considering and, if thought fit, approving the Capital Reduction Agreement and the transactions contemplated thereunder, or where the context so admits, any adjournment of such extraordinary general meeting
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“Hode Information Technology”	Shanghai Hode Information Technology Co., Ltd. (上海幻電信息科技有限公司), a company established in the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than those who are required by the GEM Listing Rules to abstain from voting on the resolutions approving the Capital Reduction Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party independent of the Company and its connected persons
“Jian Liang”	Jian Liang (見良), a PRC citizen, PRC Identity Card No. 110102197905093076
“Joint Venture”	Beijing Meishe Network Technology Co., Ltd.* (北京美攝網絡科技有限公司), a company established in the PRC with limited liability
“Latest Practicable Date”	19 March 2026, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained in this Circular
“Liu Tiehua”	Liu Tiehua (劉鐵華), a PRC citizen, PRC Identity Card No. 411323197709283870

DEFINITIONS

“Nanjing Chuangyi”	Nanjing Chuangyi Jiahe Wanxing Venture Investment Center (LP)* (南京創熠家和萬興創業投資中心(有限合夥)), a limited partnership duly established under the laws of the PRC
“NECIPS”	National Enterprise Credit Information Publicity System, an official, government-run, centralized online database managed by the State Administration for Market Regulation of the PRC
“Other JV Parties”	collectively, Zheng Pengcheng, Jian Liang, Liu Tiehua, Beijing Shiyimei, Beijing Nengyimei, Beijing Zhiyimei, Totem Vision, Hode Information Technology, CDV Investment, Nanjing Chuangyi and Tianjin Jinmi
“percentage ratios”	the percentage ratios set out under the GEM Listing Rules
“PRC”	the People’s Republic of China (excluding, for the purpose of this Circular, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Reduction Parties”	CDV BJ, Totem Vision, CDV Investment, Hode Information Technology, Nanjing Chuangyi and Tianjin Jinmi
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the issued capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Announcement”	the supplemental announcement of the Company dated 9 February 2026 in relation to the Capital Reduction
“Tianjin Jinmi”	Tianjin Jinmi Investment Partnership (LP)* (天津金米投資合夥企業(有限合夥)), a limited partnership duly established under the laws of the PRC
“Totem Vision”	Totem Vision (Guangzhou) Digital Technology Co., Ltd.* (圖騰視界(廣州)數字科技有限公司), a company established in the PRC with limited liability
“Zheng Pengcheng”	Zheng Pengcheng (鄭鵬程), a PRC citizen, PRC Identity Card No. 420800197108300376

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. GUO Langhua (*Chairman*)

Mr. LIU Baodong

Mr. PANG Gang

Independent Non-executive Directors:

Mr. JIAN Nianqiang

Mr. LI Youliang

Dr. LI Wanshou

Ms. XU Mei

*Principal place of business and
headquarters in the PRC*

China Digital Video Technical Plaza

No. 131 West Fourth Ring Road N

Haidian District

Beijing

PRC

Registered office:

P.O. Box 309, Uglund House

Grand Cayman KY1-1104

Cayman Islands

20 March 2026

To the Shareholders,

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
CAPITAL REDUCTION IN A JOINT VENTURE
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

References are made to the Announcement and the Supplemental Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the Capital Reduction; (ii) other information as required to be contained in this Circular under the GEM Listing Rules; and (iii) a notice of the EGM.

LETTER FROM THE BOARD

CAPITAL REDUCTION IN A JOINT VENTURE

The Capital Reduction Agreement

As disclosed in the Announcement on 19 January 2026 (after trading hours), the Joint Venture, an investee company of the Company, entered into the Capital Reduction Agreement with, among others, CDV BJ, a wholly-owned subsidiary of the Company, and the Other JV Parties. Pursuant to the Capital Reduction Agreement, the Joint Venture will implement a targeted reduction of its registered capital from RMB31,780,500 to RMB15,000,000, and will pay the Reduction Parties consideration in cash in the aggregate amounts specified below in exchange for the cancellation of their respective equity interests, following which each Reduction Party will cease to hold any equity interest in the Joint Venture upon receipt of the relevant consideration.

As at the Latest Practicable Date, the Joint Venture is approximately 31.47% and 68.53% held by CDV BJ and the Other JV Parties, respectively. Upon completion of the Capital Reduction, the Group will cease to have any equity interest in the Joint Venture.

Principal terms of the Capital Reduction Agreement

The principal terms of the Capital Reduction Agreement are set out below:

- Date : 19 January 2026 (after trading hours)
- Parties : (1) the Joint Venture;
- (2) CDV BJ, a wholly-owned subsidiary of the Company; and
- (3) the Other JV Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, save as CDV Investment, each of the Other JV Parties and their respective ultimate beneficial owners (if applicable) is a third party independent of and not connected with the Company and its connected persons.

- Subject matter : Pursuant to the Capital Reduction Agreement, the Joint Venture will implement a targeted reduction of its registered capital from RMB31,780,500 to RMB15,000,000, and will pay the Reduction Parties the consideration as set out in the Capital Reduction Agreement in cash in exchange for the cancellation of their respective equity interests, following which each Reduction Party will cease to hold any equity interest in the Joint Venture upon receipt of the relevant consideration.

LETTER FROM THE BOARD

Consideration : The Joint Venture will pay CDV BJ RMB30,000,000 in cash as consideration for the Capital Reduction (“**Consideration**”).

The Consideration was determined after arm’s length negotiations among the parties and with reference to, among other things, (i) an annual rate of return of approximately 25% over eight years on CDV BJ’s original capital contribution of RMB10,000,000 since 2017; and (ii) the financial position (such as the net assets value and profit or loss position, of the Joint Venture).

Before the entering into of the Capital Reduction Agreement, in assessing whether the Consideration represents the fair value of the Company’s investment in the Joint Venture and is fair and reasonable, the Board has conducted a detailed review of, among others: (i) the basis upon which the Consideration was determined; (ii) the commercial rationale and risk profile associated with the investment; and (iii) prevailing market trends and comparable return benchmarks.

The Consideration was calculated based on an annualised rate of return of approximately 25% over the eight year investment period since CDV BJ’s capital contribution in 2017. The Board considers that the adoption of a return based methodology provides an objective and consistent basis for determining the Consideration, as it appropriately reflects both the time value of capital and the investment risks borne by the Group throughout the investment period.

Based on market information available to the Company, for primary market investment projects exiting through a company buy-back or similar capital reduction mechanism, generally agreed annual return rates typically range from approximately 8% to 12%. In this regard, the Board considered three investment projects, having taken into account, among others, the agreed rates of return stipulated in the respective investment agreements and the principal businesses of the investee companies. From a timing perspective, such three investment projects represented investment opportunities identified by the Company in the market at the relevant time and were provided for indicative reference purposes. From a business perspective, the principal businesses of such investee companies operate in the same industry as the Joint Venture, thereby offering a meaningful and comparable industry benchmark for assessment. By comparison, the annualised return of approximately 25% represented by the Consideration significantly exceeds prevailing market benchmarks. Furthermore, the Group’s other investment projects during the same period have generally yielded annual returns of below 10%, such that the return achieved under the present exit also materially surpasses the internal return levels achieved elsewhere within the Group’s investment portfolio.

LETTER FROM THE BOARD

Further, to the best knowledge of the Board, in the Capital Reduction, all non management investor shareholders of the Joint Venture exited simultaneously, and most of these exiting investors received returns calculated at an annualised rate of approximately 15%, which is materially lower than the approximately 25% annualised return received by CDV BJ. This comparison demonstrates that CDV BJ's return is among the highest within the exiting shareholder base, underscoring the commercial favourability and reasonableness of the Consideration from the Group's perspective.

From a financial perspective, based on the audited financial statements of the Joint Venture, the net assets value of the Joint Venture amounted to RMB44,159,460 as at 31 December 2023 and decreased to RMB38,077,262 as at 31 December 2024. In addition, the Joint Venture has been in a prolonged loss making position and recorded losses for each of the five years ended 31 December 2024. The Board also noted that the Joint Venture has not conducted any fundraising activities in the past five years, such that there were no recent external valuation or pricing reference points available.

Taking into account (i) the declining net assets value of the Joint Venture; (ii) the absence of recent fundraising or external market valuation references; (iii) the loss making financial performance of the Joint Venture; and (iv) the fact that the agreed annualised return of approximately 25% materially exceeds both prevailing market benchmarks and the returns achieved in the Group's comparable investments, the Board considers that such rate of return appropriately reflects the time value of capital and the investment risks assumed by the Company during the investment period.

In addition, after the entering into of the Capital Reduction Agreement, the Company obtained a valuation report on the Joint Venture dated 19 March 2026 prepared by Miles Valuation Advisory Limited (an independent valuer) (the "Valuer"). According to the valuation report, the valuation of 31.47% equity interest held by CDV BJ in the Joint Venture was RMB24,040,000 as at 31 December 2025 by way of market approach. The text of the valuation report on the Joint Venture is set out in Appendix II to this circular.

LETTER FROM THE BOARD

As advised by the Valuer, the valuation was conducted using the market approach, as the underlying business of the Joint Venture is principally engaged in the development of video-processing technology solutions, and a sufficient number of comparable companies with similar business profiles can be identified in the market for benchmarking purposes. The Valuer advised that it selected eight comparable companies, each principally engaged in the development of video-processing technology solutions and listed on major stock exchanges, which the Valuer considered to be exhaustive and representative. In determining the appropriate valuation multiples for the Joint Venture, the Valuer considered the enterprise value-to-sales multiple (the EV/S Multiple) to be the most appropriate indicator of enterprise value, as it eliminates differences in capital structure and related risk characteristics. Enterprise value is generally derived based on a company's market capitalisation, plus net debt (being total debt net of cash and cash equivalents) and minority interests. The Valuer obtained the enterprise value data of each comparable company from FactSet.

After in depth communication and thorough discussion with the Valuer, and having taken into account, among others, the minority interest nature of the equity interest, the application of valuation methodologies incorporating discounts for lack of marketability, the financial and operational characteristics of the Joint Venture, its limited profitability, as well as the increasingly challenging external environment faced by the industry, the Directors consider that the valuation adopted for the Capital Reduction, as determined based on the market approach using the guideline public company method, is appropriate and more reflective of the fair value of the Joint Venture.

With regard to the selection of comparable companies, the Directors consider that suitable comparable companies should be listed on major stock exchanges with well-established regulatory frameworks, active trading liquidity and sufficient publicly available information. As the Joint Venture principally operates in the video-processing technologies-related segment of the software market, which is a niche market, and listed companies operating in this segment are geographically dispersed, the Valuer accordingly selected listed companies from multiple jurisdictions, including China, the United States, Australia, Sweden and Japan, for comparison purposes. The Directors have reviewed the segmental revenue structures of the selected comparable companies and confirmed their business similarity to the Joint Venture, and are satisfied that the selection of such comparable companies is reasonable and fair.

LETTER FROM THE BOARD

Having regard to the above, the Directors consider that the valuation methodology and the key assumptions adopted by the Valuer are fair and reasonable and in line with prevailing market practice, taking into account, among other matters, the information and data available to them as aforesaid.

Taking into account, among others, (i) an annual rate of return of approximately 25% over eight years on CDV BJ's original capital contribution of RMB10,000,000 since 2017; and (ii) the financial position (such as the net assets value and profit or loss position, of the Joint Venture); and (iii) the valuation of 31.47% equity interest held by CDV BJ in the Joint Venture was RMB24,040,000 as at 31 December 2025 by way of market approach, the Directors consider the Consideration to be fair and reasonable and in the interests of the Company and its Shareholders as a whole.

- Conditions : The Consideration is payable by the Joint Venture to CDV BJ and the other Reduction Parties within fifteen (15) business days after satisfaction of all of the conditions as set out in the Capital Reduction Agreement (“**Conditions**”)
- (i) in respect of each Reduction Party, such Reduction Party and, where applicable, its appointed director(s) have duly signed the relevant shareholders' resolutions and board resolutions, and the Joint Venture has received the originals of the duly executed resolutions;
 - (ii) all directors and shareholders of the Joint Venture have duly signed the shareholders' and board resolutions for Administration for Industry and Commerce Registration Alterations and Filings in respect of this capital reduction, the change in the number and composition of the board, the change of supervisor(s) and the amendments to the articles of association, and the Joint Venture has received all originals of the duly executed signature pages;
 - (iii) the Joint Venture has duly notified all of its creditors and has obtained written confirmations from all creditors that they have no objection to the Capital Reduction (if any creditor requires the Joint Venture to repay the debt or to provide appropriate security, the Joint Venture shall have repaid the debt or provided such security and obtained a written confirmation of no objection from such creditor), or the relevant creditors have failed to raise objections within the prescribed period;

LETTER FROM THE BOARD

- (iv) the Joint Venture has lawfully completed the public announcement in respect of the Capital Reduction on the NECIPS, the announcement period has expired and no creditor has raised any objection;
- (v) there is no express prohibition under applicable laws and regulations against payment of the Capital Reduction consideration during such period;
- (vi) the equity interests in the Joint Venture held by each Reduction Party are free from any judicial preservation measures, pledges or any other disposal restrictions; this is an independent undertaking and condition given by each Reduction Party in respect of its own equity, and the failure of any one Reduction Party to satisfy this condition shall not affect the completion by the other Reduction Parties in accordance with the Capital Reduction Agreement; and
- (vii) with respect to CDV BJ only, the Company has obtained the approvals required under the GEM Listing Rules, including approval by the Shareholders for CDV BJ to enter into the Capital Reduction Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, Conditions (i) to (vi) have been fulfilled.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, save as CDV Investment, each of the Other JV Parties and their respective ultimate beneficial owners (if applicable) is a third party independent of and not connected with the Company and its connected persons.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, CDV Investment was 47.3% owned by Mr. Zheng Yongdong (鄭永東), 46% owned by Mr. Zhang Xunlong (張勳龍), a Director of CDV BJ and 6.68% owned by Guo Langhua (郭朗華), an executive Director of the Company, respectively. Mr. Zheng Yongdong (鄭永東) is an Independent Third Party. CDV Investment is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

LETTER FROM THE BOARD

Registered Capital of the Joint Venture

Upon completion of the Capital Reduction, the Group will cease to have any equity interest in the Joint Venture.

The following table shows the registered capital of the Joint Venture as at Latest Practicable Date and upon completion of the Capital Reduction:

Equity holders	As at the Latest Practicable Date		Upon completion of the Capital Reduction	
	Registered capital (RMB)	Approximate shareholding ratio	Registered capital (RMB)	Approximate shareholding ratio
CDV BJ	10,000,000	31.47%	—	—
Totem Vision	3,020,490	9.50%	—	—
CDV Investment	1,979,510	6.23%	—	—
Hode Information Technology	1,186,500	3.73%	—	—
Nanjing Chuangyi	339,000	1.07%	—	—
Tianjin Jinmi	255,000	0.80%	—	—
Zheng Pengcheng	8,500,000	26.75%	8,500,000	56.67%
Jian Liang	1,135,000	3.57%	1,135,000	7.57%
Liu Tiehua	850,000	2.67%	850,000	5.67%
Beijing Shiyimei	2,367,524	7.45%	2,367,524	15.78%
Beijing Nengyimei	1,077,476	3.39%	1,077,476	7.18%
Beijing Zhiyimei	<u>1,070,000</u>	<u>3.37%</u>	<u>1,070,000</u>	<u>7.13%</u>
Total	<u>31,780,500</u>	<u>100%</u>	<u>15,000,000</u>	<u>100%</u>

INFORMATION OF THE GROUP, THE JOINT VENTURE AND THE PARTIES TO THE CAPITAL REDUCTION AGREEMENT

INFORMATION OF THE GROUP

The Group

The Group is principally engaged in research, development and sales of video-related and broadcasting equipment and software and provision of related technical services in the PRC.

LETTER FROM THE BOARD

CDV BJ

CDV BJ is a company established in the PRC and a wholly-owned subsidiary of the Company. It is a digital video technology solutions provider, offering products and solutions covering traditional broadcasting graphics creation, virtual studio systems, various live program production solutions, integrated media cloud platforms, and playout/publishing products. It also operates services including ProPark post-production and the Ecloud cloud platform.

INFORMATION OF THE JOINT VENTURE

The Joint Venture is a company established in the PRC with limited liability. It is a national high-tech enterprise and a Zhongguancun high-tech enterprise, and is recognized as a “specialised and sophisticated” SME in Beijing. Its services include cross-platform intelligent image creation engine, in-depth learning of audio-visual image recognition, image quality processing, with business areas covering mobile apps, smartphones, smart hardware, smart automobiles, smart broadcasting, and other industry clients.

The unaudited net assets of the Joint Venture as at 30 September 2025 were RMB55,147,114.11.

The net profits/(losses) (both before and after taxation and extraordinary items) for the two financial years ended 31 December 2024 and 2023 are as follows:

	For the year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Net loss before taxation and extraordinary items	(2,493,806.98)	(11,324,173.43)
Net loss after taxation and extraordinary items	(5,945,598.09)	(11,323,167.37)

INFORMATION OF THE OTHER PARTIES

Zheng Pengcheng is the Chief Executive Officer and a director of the Joint Venture.

Jian Liang is the Chief Technology Officer and a director of the Joint Venture.

Liu Tiehua is the chief officer of the Research and Development and a director of the Joint Venture.

To the best of the Directors' knowledge, Beijing Shiyimei is engaged in, among other things, technology development, promotion, transfer, consulting, and services, enterprise management, economic and trade consulting, market research, exhibition services, advertising design, production, agency and publishing; and organization of cultural and art exchange activities (excluding for-profit performances). Beijing Shiyimei is a limited partnership whose general partner is Zheng Pengcheng (鄭鵬程), holding 31.84% of its equity interest.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, Beijing Nengyimei is engaged in, among other things, technology development, promotion, transfer, consulting, and services, enterprise management, economic and trade consulting, market research, exhibition services, advertising design, production, agency and publishing; and organization of cultural and art exchange activities (excluding for-profit performances). Beijing Nengyimei is a limited partnership whose general partner is Zheng Pengcheng (鄭鵬程), holding 66.67% of its equity interest.

To the best of the Directors' knowledge, Beijing Zhiyimei is engaged in, among other things, technology development, promotion, transfer, consulting, and services, enterprise management, economic and trade consulting, market research, exhibition services, advertising design, production, agency and publishing; and organisation of cultural and art exchange activities (excluding for-profit performances). Beijing Zhiyimei is a limited partnership whose general partner is Zheng Pengcheng (鄭鵬程), holding 66.67% of its equity interest.

To the best of the Directors' knowledge, CDV Investment is a company established in the PRC with limited liability and is principally engaged in property management business. As at Latest Practicable Date, CDV Investment was 47.3% owned by Mr. Zheng Yongdong (鄭永東), an Independent Third Party, 46% owned by Mr. Zhang Xunlong (張勳龍), a director of CDV BJ and 6.68% owned by Guo Langhua (郭朗華), an executive Director of the Company, respectively.

To the best of the Directors' knowledge, Totem Vision possesses world-class ultra-high-definition core technologies and solutions and provides visualization, virtual studio, augmented reality, large-screen interactive display, visual interaction design, live sports broadcasting, and smart digital showroom solutions. It is approximately (i) 29.41% owned by CDV BJ, a wholly-owned subsidiary of the Company, (ii) approximately 39.22% by Beijing Ruijiting Technology Center (Limited Partnership)* (北京瑞基庭科技中心(有限合夥)), the general partner of which is Liu Xianhu (劉先虎) who holds 0.11% of the equity interest. Other partners include Beijing Siyi Technology Center (Limited Partnership) (北京思乙科技中心(有限合夥)) (its general partner is Liu Xianhu (劉先虎), holding 0.1% of the equity interest, with another five individual partners, namely Zheng Jinyong (鄭金勇), Ding Yu (丁玉), Zheng Peifeng (鄭培楓), Wang Dong (王冬) and Zheng Miaoling (鄭妙靈), holding a total of 39% of the equity interest), Guo Langhua (郭朗華) holding 21.89% of the equity interest, Li Tao (李濤) holding 20% of the equity interest, and Liu Jiale (劉家樂) holding 19% of the equity interest); (iii) approximately 29.41% by Beijing Yuweihao Technology Center (LP)* (北京裕微豪科技中心(有限合夥)), the partners of which are Liu Liming (劉立明) (general partner) who holds 50% equity interest therein, Yang Dai Yun (楊代軍) who holds 44%, Sun Xing Mou (孫興謀) who holds 5% and Xu Jun Kui (許俊魁) who holds 1% equity interest therein, respectively and (iv) approximately 1.96% by Guangzhou Baiyun Yunteng Industrial Investment Partnership (LP)* (廣州市白雲區雲騰產業投資合夥企業(有限合夥)) whose general partner is Guangzhou Baiyun Investment Fund Management Co., Ltd. (廣州市白雲投資基金管理有限公司) holding 49.14%, and which is state-controlled.

To the best of the Directors' knowledge, Hode Information Technology is principally engaged in the business of mobile game operation. Hode Information Technology is controlled by Bilibili Inc. (Nasdaq: BILI and HKEX: 9626), an iconic brand and a leading video community for young generations in China.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, Nanjing Chuangyi is engaged in venture capital, equity investment, investment management and consulting. It is 49% owned by Wondershare Technology Group Co., Ltd.* (萬興科技集團股份有限公司), 29% by Nanjing Kechuang Financial Management Co., Ltd.* (南京科創財務管理有限公司), 21% by Nanjing Industrial Development Fund Co., Ltd.* (南京市產業發展基金有限公司), and 1% by Jiangsu Huarui Investment Management Co., Ltd.* (江蘇華睿投資管理有限公司). Jiangsu Huarui Investment Management Co., Ltd. is a private fund manager owned as to (i) 50% by Wang Mangen (王滿根); (ii) 20% by Tan Xia (檀霞); and (iii) 30% by Nanjing Jiahe Investment Center (Limited Partnership) (南京嘉禾投資中心(有限合夥)), whose general partner is Wang Mangen holding 30%.

To the best of the Directors' knowledge, Tianjin Jinmi is engaged in general venture investment (for unlisted enterprises), proprietary investment and related activities. It is 86.2% owned by Tianjin Jinxing Venture Investment Co., Ltd.* (天津金星創業投資有限公司) which is controlled by Xiaomi Corporation (HKEX:1810), and 13.8% by Tianjin Zhongmi Enterprise Management Partnership (LP)* (天津眾米企業管理合夥企業(有限合夥)).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Other JV Parties and their respective ultimate beneficial owners (if applicable) is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF CAPITAL REDUCTION

At the time of the Group's investment in the Joint Venture in 2017, the Joint Venture was positioned as a developer and operator of a mobile video editing application targeting consumer users, with the aim of enabling users to conveniently and efficiently create and edit high quality videos and share such content on social media platforms. Although the Company considered at the time that this business did not fall within its principal business, it was innovative in nature and was expected to complement the Company's experience and technology, generate certain synergistic effects, and assist the Company in exploring new business directions.

The Company also expected that the Joint Venture would continue to grow and expand, thereby providing the Group with potential exit opportunities through an initial public offering or merger and acquisition, and enabling the Group to achieve a satisfactory return on its investment. However, the Joint Venture subsequently made significant changes to its business direction, and its performance fell substantially below expectations, failing to achieve the Group's original investment objectives. Accordingly, the Group decided to exit the investment by way of a capital reduction.

As the Joint Venture has been in a prolonged loss-making position and has not made any material contribution to the Group's business or financial position, the Capital Reduction has no impact on the Company's existing business and operations. Based on the information available to the Company, the Joint Venture recorded losses for the financial year ended from 31 December 2020 to 31 December 2024.

LETTER FROM THE BOARD

The Capital Reduction will deliver both financial and strategic benefits to the Group. In addition to crystallising a satisfactory financial return and enhancing liquidity through the receipt of RMB30,000,000 in cash proceeds, the transaction (i) advances the Group's portfolio optimisation and capital recycling strategy by reallocating capital from a non-core joint venture to core business areas with higher strategic priority and expected returns; (ii) reduces exposure to non-core joint venture risks and earnings volatility, thereby improving the Group's overall risk profile and resilience; and (iii) frees up management time and operational bandwidth previously dedicated to joint venture oversight, allowing greater focus on the Group's principal operations and growth initiatives.

The Directors (including the independent non-executive Directors but excluding Guo Langhua (郭朗華), an executive Director, who abstained from voting on the Board resolutions approving the Capital Reduction Agreement and the transactions contemplated thereunder) consider that the Capital Reduction Agreement was entered into upon normal commercial terms or better to the Group, and that its terms are fair and reasonable and that entering into of the Capital Reduction Agreement is in the interests of the Company and the Shareholders of the Company as a whole.

FINANCIAL IMPACT OF THE CAPITAL REDUCTION ON THE GROUP

Upon the completion of the Capital Reduction, the Group will cease to hold any equity interest in the Joint Venture. It is expected that the Group will record a gain of approximately RMB20,000,000 from the Capital Reduction, representing the difference between the consideration for the Capital Reduction to be received by the Group under the Capital Reduction Agreement and the carrying value of the Group's investment in the Joint Venture. The actual gain or loss from the Capital Reduction is subject to audit and may differ from the amount stated. The Directors expect that the net proceeds from the Capital Reduction (the "Net Proceeds") will be used as the following.

- (i) approximately 50% of the Net Proceeds is expected to be used for the payment for procurement of goods for the Group's principal business;
- (ii) approximately 35% of the Net Proceeds is expected to be used for the repayment of the debts of the Group from bank and improving the financial position of the Group; and
- (iii) approximately 15% of the Net Proceeds is expected to be used for payment of staff salaries and reimbursement of employee expenses.

As at 30 September 2025, the unaudited net liabilities of the Group was approximately RMB71,556,000. Upon the completion of the Capital Reduction, based on the estimation of the Directors, (i) the assets value will be increased by approximately RMB30,000,000; (ii) the liabilities will remain unchanged; and (iii) the profit will be increased by RMB30,000,000. The financial effect of the Capital Reduction as set out above is presented for illustrative purposes only and is subject to change upon completion of the Capital Reduction, review and final audit by the auditor of the Company.

Pursuant to the Capital Reduction Agreement, CDV BJ will exit from the Joint Venture by withdrawing its registered capital paid to the Joint Venture. The Joint Venture will pay CDV BJ RMB30,000,000 in cash as consideration for the Capital Reduction. The consideration was determined

LETTER FROM THE BOARD

after arm's length negotiations among the parties and based on an annual rate of return of approximately 25% over eight years on CDV BJ's original capital contribution of RMB10,000,000 since 2017. The Directors consider the consideration to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Capital Reduction Agreement exceed 25% but all of them are less than 75%, the transaction constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, CDV Investment was 47.32% owned by Mr. Zheng Yongdong (鄭永東), 46% owned by Mr. Zhang Xunlong (張勳龍), a Director of CDV BJ and 6.68% owned by Guo Langhua (郭朗華), an executive Director of the Company, respectively. Mr. Zheng Yongdong (鄭永東) is an Independent Third Party. CDV Investment is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

Given that the Board has approved the Capital Reduction and the independent non-executive Directors have confirmed that the terms of the Capital Reduction were fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Capital Reduction was, pursuant to Rule 20.99 of the GEM Listing Rules, subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As at Latest Practicable Date, Guo Langhua (郭朗華), an executive Director, owned 6.68% of CDV Investment, a party to the Capital Reduction Agreement, abstained from voting on the board resolutions approving the Capital Reduction Agreement and the transactions contemplated thereunder. Other than Guo Langhua (郭朗華), none of the Directors had any material interest in the Capital Reduction Agreement and thus no Director was required to abstain from voting on the Board resolutions approving the Capital Reduction Agreement and the transactions contemplated thereunder.

EGM

The Company will convene and hold the EGM at 8/F, China Digital Video Technical Plaza, No. 131 West Fourth Ring Road N, Haidian District, Beijing, PRC at 10:00 a.m. on 13 April 2026 to consider and, if thought fit, approve the Capital Reduction Agreement and the transactions contemplated thereunder. A notice of EGM is set out on pages 46 to 48 of this Circular.

In order to determine the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from 8 April 2026 to 13 April 2026 (both days inclusive) during which period no transfer of Shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30

LETTER FROM THE BOARD

p.m. on Thursday, 2 April 2026. Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjourned meeting thereof if they so wish.

The voting at the EGM will be taken by poll. In accordance with the GEM Listing Rules, any Shareholder with a material interest in the Capital Reduction Agreement and the transactions contemplated thereunder is required to abstain from voting on the resolution to be put forward to the Shareholders for approving the Capital Reduction Agreement and the transactions contemplated thereunder. Guo Langhua (郭朗華), an executive Director, and his associates will abstain from voting on such resolution at the EGM. As at the Latest Practicable Date, Guo Langhua held 46,257,053 Shares (representing approximately 7.81% of the issued share capital of the Company). Apart from the above, none of the associates of Guo Langhua holds any Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than Guo Langhua, no other Shareholder or its/his/her associate(s) has a material interest in the Capital Reduction Agreement and the transactions contemplated thereunder and accordingly, no Shareholder (other than Guo Langhua) is required to abstain from voting at the EGM to be convened by the Company for approving the Capital Reduction Agreement and the transactions contemplated thereunder. After the conclusion of the EGM, the results of the poll will be released on the HKEXnews website at www.hkexnews.hk and the Company's website at www.cdv.com.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby he/she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his/her Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, there exists no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the EGM.

A form of proxy for use in connection with the EGM is also enclosed. Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjourned meeting thereof if they so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the view that, although the entering into of the Capital Reduction Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms of the Capital Reduction Agreement are on normal commercial terms, fair and reasonable, and the entering into of the Capital Reduction Agreement are in the interests of the Company and the Shareholders as a whole. The Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in relation to the Capital Reduction.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Circular.

Yours faithfully,
For and on behalf of the Board
China Digital Video Holdings Limited
GUO Langhua
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the years ended 31 March 2023, 2024 and 2025 and the six months ended 30 September 2025 has been set out in the following documents and is available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.cdv.com):

- (a) the annual report of the Company for the fifteen months ended 31 March 2023 published on 30 June 2023, from pages 52 to 154:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0630/2023063002956.pdf>

- (b) the annual report of the Company for the year ended 31 March 2024 published on 29 July 2024, from pages 53 to 155:

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0729/2024072901235.pdf>

- (c) the annual report of the Company for the year ended 31 March 2025 published on 3 July 2025, from pages 53 to 155:

<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0703/2025070300865.pdf>

- (d) the interim report of the Company for the six months ended 30 September 2025 published on 28 November 2025, from pages 17 to 42:

<https://www1.hkexnews.hk/listedco/listconews/gem/2025/1128/2025112800903.pdf>

2 INDEBTEDNESS

As at the close of business on 31 January 2026 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had unsecured and guaranteed bank borrowings with (i) outstanding principal amount of approximately RMB92,074,000, which are repayable within one year and (ii) outstanding accrued bank borrowing interest payables of approximately RMB411,000.

The Group's unsecured and guaranteed bank borrowings were guaranteed by the followings:

	As at
	31 January 2026
	<i>RMB'000</i>
Cross-guarantee by Mr. Zheng Fushuang, Mr. GUO Langhua and CDV BJ	4,900
Cross-guarantee by Mr. Zheng Fushuang, CDV BJ and third parties	4,990
Cross-guarantee by Mr. Zheng Fushuang, CDV Investment and CDV BJ	9,950
Cross-guarantee by Mr. Zheng Fushuang and third parties	52,650
Guarantee by third parties	9,603
Cross-guarantee by Mr. Zheng Fushuang and Beijing Newauto Group Co., Ltd.	<u>9,981</u>
	<u><u>92,074</u></u>

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal payables and accruals in the ordinary course of business, the Group did not have any outstanding debt securities, liabilities under acceptance, acceptance credit, hire purchase, mortgages or charges, bank overdrafts or loans, or other similar indebtedness, guarantees, material capital commitment or other material contingent liabilities outstanding as at the close of business on 31 January 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Circular.

The Directors have confirmed that there has not been any material change in the indebtedness or the contingent liabilities of the Group since the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Circular.

3 WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including its existing internal resources, and the estimated net proceeds from the Capital Reduction, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Circular.

4 MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 March 2025, being the date of which the latest published audited consolidated accounts of the Company were made up to, and including the Latest Practicable Date.

5 FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a PRC-based digital video technology solutions and services provider to TV broadcasters and other digital video content platforms, with long-standing relationships across central- and provincial-level TV stations as well as cable network operators, Internet media content providers and IPTV operators. The Group remains focused on post-production technologies and demand-driven R&D to support customers' customized solutions requirements.

For the six months ended 30 September 2025, the Group recorded revenue of RMB5.5 million, representing a 91.8% year-on-year decrease from RMB67.3 million for the six months ended 30 September 2024, with revenue contributions of approximately RMB0.9 million from solutions, RMB3.7 million from services, and RMB0.9 million from products. The Group generated a gross profit of RMB2.0 million, translating to a gross margin of 36.0%, and recorded a loss for the period of RMB34.9 million. As at 30 September 2025, the Group held cash and cash equivalents of RMB141.2 million and interest-bearing borrowings of RMB118.5 million, all of which were current, and reported net current liabilities of RMB97.9 million and net liabilities of RMB71.6 million. Operating cash flow turned positive, with net cash generated from operating activities of RMB6.6 million, compared with a net outflow for the six months ended 30 September 2024.

The revenue decline mainly due to (i) delays in tendering by several major customers, (ii) slower localization of the video-industry supply chain, and (iii) heightened competition faced by traditional broadcasting from new media.

The Directors note that the operating environment remains subject to a number of external factors, and the Group's performance for the current financial year will continue to be influenced by the timing of government and broadcaster tendering activities, customers' capital and operating budget schedules, and the Group's ongoing focus on cost management, receivables collection and selective business development.

Notwithstanding the above, the Directors note that certain adverse factors have recently shown signs of gradual improvement. In particular, certain projects of China Central Television have begun to re-enter the approval process, and tendering activities and project execution for certain local television stations have gradually resumed.

The Directors further note that the operating environment remains subject to a number of external factors, and the Group's performance for the current financial year will continue to be influenced by, among others, the timing of government and broadcaster tendering activities, customers' capital and operating budget schedules, and the overall competitive landscape. The Company expects that, although the impact of these factors may continue to some extent in 2026, such impact is expected to be significantly mitigated, and the Group's business is expected to gradually return to a normal operating level within a relatively short period of time.

Having regard to the above circumstances, the Group will continue to focus on the following strategic priorities:

Cost Management

The Group will continue to exercise stringent cost control measures, including optimising staff allocation and strictly managing personnel costs, with resources prioritised towards business segments and core personnel that support revenue generation and profitability. The Group will also seek to reduce finance costs by negotiating more favourable loan terms with banks, and lower procurement costs by negotiating more competitive pricing and more flexible payment terms with suppliers, thereby improving overall capital efficiency.

Receivables Collection

The Group will continue to place emphasis on receivables collection by maintaining a dedicated task force comprising key personnel from the operations and finance departments to closely monitor collection progress. The Group will actively coordinate with customers on project acceptance, regularly analyse the ageing profile of receivables, formulate monthly collection plans at the Group level and incorporate such plans into internal performance assessments. Senior management personnel will also be designated to take responsibility for the recovery of major receivable balances, with regular reporting on collection status.

Selective Business Development

The Group will continue to selectively pursue business opportunities with a focus on localisation upgrade and transformation projects for China Central Television and local television stations. At the same time, the Group will closely monitor developments in new industries and technologies, in particular opportunities arising from the integration of artificial intelligence with traditional video technologies, and will prudently explore selective development opportunities in areas such as AI driven intelligent editing and content generation.

STRICTLY CONFIDENTIAL

Ref. No: P26-0026

19 March 2026

The Board of Directors

China Digital Video Holdings Limited

P.O. Box 309, Uglan House,
Grand Cayman KY1-1104, Cayman Islands

Dear Sirs / Madams,

Re: Valuation of 31.47% Equity Interest of Beijing Meishe Network Technology Co., Ltd.* 北京美攝網絡科技有限公司

In accordance with your instructions, MILES Valuation Advisory Limited (“MILES” or “we”) has conducted valuation in connection with the fair value of the 31.47% equity interest of Beijing Meishe Network Technology Co., Ltd.* 北京美攝網絡科技有限公司 (“Beijing Meishe” or the “Target Company”) as of 31 December 2025 (the “Valuation Date”). We understand that China Digital Video Holdings Limited (the “Company”, “China Digital” or “you”) intends to dispose 31.47% equity interest of the Target Company (the “Potential Transaction”).

It is our understanding that this appraisal is strictly addressed to the directors of the Company (the “Directors”) and used for the Potential Transaction for your internal reference purpose. This report (the “Report”) does not constitute an opinion on the commercial merits and structure of the Potential Transaction. We are not responsible for unauthorized use of the Report.

We accept no responsibility for the realization and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this Report. We assumed that financial and other information provided to us are accurate and complete.

This Report presents the summary of the business appraised, describes the basis of analysis and assumptions, and explains the analysis methodology adopted in this appraisal process to calculate the value.

BASIS OF ANALYSIS

We have appraised the fair value of 31.47% equity interest of the Target Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

COMPANY AND TRANSACTION BACKGROUND

China Digital (Stock code: 8280.HK) is an investment holding company that specializes in providing a comprehensive range of digital video technology solutions, services, and products. It researches, develops, and sells video-related and broadcasting equipment and software to TV broadcasters, new media operators, and digital video content providers across China.

Beijing Meishe is a high-tech enterprise that provides video and audio solutions, specializing in software development kits for mobile editing and video processing.

We understand that the Company intends to dispose 31.47% equity interest in the Target Company as previously defined as the Potential Transaction.

The Potential Transaction constitutes a major transaction for the Company. The Potential Transaction is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

As such, the Company engaged us as an independent valuer to assess the fair value of the 31.47% equity interest of the Target Company as of the Valuation Date.

SCOPE OF WORK

In conducting this valuation exercise, we have

- Co-ordinated with the Company's representatives to obtain the required information and documents for our valuation;
- Gathered the relevant information of the Target Company, including the legal documents, financial statements, etc. made available to us;
- Discussed with the Company and the Target Company to understand the history, business model, operations, business development plan of the Target Company for valuation purpose;
- Carried out research in the sector concerned and collected relevant market data from reliable sources for analysis;
- Studied the information of the Target Company made available to us and considered the basis and assumptions of our conclusion of value;
- Selected an appropriate valuation method to analyze the market data and derived the estimated fair value of the Target Company; and
- Compiled this Report on the valuation, which outlines our findings, valuation methodologies and assumptions, and conclusion of value.

When performing our valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should have been provided to us. We relied on such data, records and documents in arriving at our opinion of value and had no reason to doubt the truth and accuracy of the information provided to us by the Company, the Target Company and their authorized representatives.

LIMITATIONS OF THE REPORT

The Report is addressed strictly to the Directors for their internal reference and, where relevant, for a basis for disclosure purpose under the requirement of the Listing Rules. Accordingly, the Report may not be used nor relied upon in any other connection by, and is not intended to confer any benefit on, any person (including without limitation the respective shareholders of the Company and the Target Company).

The Report does not constitute an opinion on the commercial merits and structure of the Potential Transaction. The Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Potential Transaction. We are not required to and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of the Potential Transaction and such remain the sole responsibility of the Directors and management of the Company (the “**Management**”).

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of the information provided or otherwise made available to us or relied upon by us in the Report especially for the financial information of the Target Company of the year ended 31 December 2025 provided by the Management, whether written or verbal, and no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

Moreover, our valuation has also relied upon other information obtained from public sources which we believe to be reliable. We accept no responsibility for accuracy and reliability of any information obtained from public sources.

INDEPENDENCE

We confirm that the professional staff assigned to this engagement acting independently and objectively. To the best of our knowledge, we have no conflicts of interest. We hereby confirm that we are independent of and not connected with the Company, the Target Company and have neither present nor prospective interests in the Company and the Target Company.

VALUATION ASSUMPTIONS OF EQUITY VALUE ANALYSIS

In arriving at our opinion of value, we have considered the following principal factors:

- the economic outlook for the region operated by the Target Company and specific competitive environments affecting the industry;
- the business risks of the Target Company;

- the nature and prospects of the industry of the Target Company is operating;
- the guideline companies engaging in business operations similar to the Target Company; and
- the legal and regulatory issues of the industry in general.

A number of general assumptions have to be made in arriving at our value conclusion. The key assumptions adopted in this valuation include:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company; and
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

VALUATION APPROACH

General Valuation Approaches

There are three generally accepted approaches to appraise the fair value of the equity value of the Target Company, namely Asset Based Approach, Income Approach, and Market Approach. All three of them have been considered regarding the valuation of the Target Company:

Asset Based Approach

The Asset Based approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. It measures the value of a business by reference to the value of individual assets and liabilities.

The assumption of this approach is that the value of a business is primarily a factor of the values of their holdings and is commonly adopted in the area of property investment and share investment portfolio situations.

Income Approach

The Income Approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The fundamental method for Income Approach is the discounted cash flow (“**DCFmed**”) method.

Under the DCF method, the value depends on the present value of future economic benefits to be derived from ownership of the enterprise. Thus, an indication of the equity value is calculated as the present value of the future free cash flow of a company less outstanding interest-bearing debt, if any. The future cash flow is discounted at the market-derived rate of return appropriate for the risks and hazards of investing in a similar business.

Market Approach

The Market Approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the Market Approach, the guideline public company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The comparable transaction method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.

Selected Valuation Approach

Each of the abovementioned approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature. In this appraisal regarding the fair value of the equity value of the Target Company, we applied the Market Approach due to the following reasons:

- Asset Based Approach is not appropriate in current appraisal as it assumed the assets and liabilities of the Target Company are separable and can be sold separately. Besides, it fails to consider an adequate return on the assets used in the business. This methodology is more appropriate for the industry that its assets are highly liquid, like property development and financial institution. Thus, Asset Based Approach is not adopted in this valuation.
- Income Approach is also considered inappropriate as plenty of assumptions were involved in formulating the financial projections of the Target Company, and the assumptions are unobservable and subjective. Given that improper assumptions will impose significant impact on the fair value, Income Approach is not adopted in this valuation.

- Fair value arrived from Market Approach reflects the market expectations over the corresponding industry as the price multiples of the guideline companies were arrived from market consensus. Since there are sufficient public companies in similar nature and business to that of the Target Company, their market values are good indicators of the industry of the Target Company. Therefore, Market Approach has been adopted in this valuation.

There are two methods commonly used in performing Market Approach, namely comparable transactions method and guideline public company method. The comparable transactions are selected with reference to the following selection criteria:

- The primary industry of the acquiree(s) is being in the industry of Application Software, as extracted from S&P Capital IQ;
- The principal business of the acquiree(s) is primarily engaged in the development and provision of B2B video-processing technology solutions, including technologies related to video rendering, video engine development, and real-time video processing software;
- The transaction(s) was closed between January 2025 and December 2025; and
- The financial information of the transaction(s) and the acquiree(s) is available to the public.

Based on the above selection criteria, there was no comparable transaction with the acquiree engaging in similar businesses as the Target Company during the selected period. Given the fact that no recent comparable transaction can be identified, we consider that the comparable transaction method is not appropriate for the valuation of the equity interest in the Target Company.

Guideline public company method is therefore selected as the primary method for the valuation of the equity interest in the Target Company. By adopting guideline public company method, we have to select the appropriate guideline public companies. The selection of the guideline public companies was based on the comparability of the overall industry sector. Although no two companies are ever exactly alike, behind the differences there are certain business universals such as required capital investment and overall perceived risks and uncertainties that guided the market in reaching the expected returns for companies with certain similar attributes.

The guideline public companies are selected with reference to the following selection criteria:

- The primary industry of the companies is being in the industry of Application Software, as extracted from S&P Capital IQ;
- The principal business of the companies is primarily engaged in the development and provision of B2B video-processing technology solutions, including technologies related to video rendering, video engine development, and real-time video processing software, with over 50% of the revenue generated from such related business;

- Given there are insufficient comparable companies with the aforementioned criteria listed in the Mainland China and Hong Kong, the search is therefore extended to comparable companies that are publicly listed in all global major stock exchanges, including but not limited to exchanges in the United States, Hong Kong, Mainland China, and other developed capital markets, where sufficient market liquidity and regulatory disclosure standards are present; and
- The financial information of the companies is available to the public.

During our research process, as obtained on the best effort basis with the abovementioned criteria, we have identified an exhaustive list of 8 guideline public companies that is comparable with the Target Company.

Description of the selected guideline public companies are listed as follows:

#	Company Name	Stock Code	Listing Location
1)	Agora, Inc. (“Agora”)	API-US	The United States

Business Description

Agora, Inc., through its subsidiaries, engages in the operation of a real-time engagement platform-as-a-service in the United States, the People’s Republic of China, and internationally. Its cloud platform enables real-time engagement for concurrent end users which offers developers products, such as video calling, voice calling, interactive live streaming, broadcast streaming, chat, signaling, interactive whiteboard, conversational AI engine and conversational AI toolkit for IoT devices, and others. The company also provides extensions, including analytics, recording, AI noise suppression, 3D spatial audio technology, real-time transcription, and extensions marketplace for solutions and services. In addition, it offers application platforms comprising flexible classroom, a low-code application platform as a service for education providers; and app builder, a no-code application platform.

FY2024 Revenue Contribution from Business Segment(s) Relevant to the Business of the Target Company ^(1,2)

Revenue related to video-processing technology solutions (100%)

Source: S&P Capital IQ

- (1) Based on the latest annual financial data as of the Valuation Date from FactSet.
- (2) Based on the annual report of Agora for the year ended 31 December 2024.

Description of the selected guideline public companies are listed as follows:

#	Company Name	Stock Code	Listing Location
2)	Ai-Media Technologies Limited (“ Ai-Media ”)	AIM-AU	Australia

Business Description

Ai-Media Technologies Limited provides captioning, transcription, and translation products and services in Australia, New Zealand, Singapore, Malaysia, North America, and the United Kingdom. It offers LEXI AI-Powered Captioning Tool Kit, an automatic captioning solution that offers captioning, translation, archiving and search, and disaster recovery solutions. The company also provides caption delivery solutions, including IP video and SDI caption encoders; caption display solutions, such as LEXI viewer and Ai-Live; captioning services, which includes LEXI recorded and text live automatic captioning, human captioning, and translation solutions; and iCap Cloud Network, a caption delivery network.

FY2024 Revenue Contribution from Business Segment(s) Relevant to the Business of the Target Company ^(1,2)

Revenue related to video-processing technology solutions (63.33%)

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from FactSet.

(2) Based on the annual report of Ai-Media for the year ended 30 June 2025.

Description of the selected guideline public companies are listed as follows:

#	Company Name	Stock Code	Listing Location
3)	ArcSoft Corporation Limited (“ ArcSoft ”)	688088-CN	China

Business Description

ArcSoft Corporation Limited operates as an algorithm and software solution provider in the computer vision industry worldwide. It offers image and video solutions for front and rear-facing smartphone cameras to assist phone manufacturers; camera solutions, including performance optimizations, network SDKs, and full customizable applications for various platforms; motion sensing controller solutions; refrigerator software; automobile digital video recorders solutions; projector solutions; and live video broadcasting apps.

FY2024 Revenue Contribution from Business Segment(s) Relevant to the Business of the Target Company ^(1,2)

Revenue related to video-processing technology solutions (82.96%)

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from FactSet.

(2) Based on the annual report of Arcsoft for the year ended 31 December 2024.

Description of the selected guideline public companies are listed as follows:

#	Company Name	Stock Code	Listing Location
4)	Beamr Imaging Ltd. (“ Beamr ”)	BMR-US	The United States

Business Description

Beamr Imaging Ltd. provides video encoding, transcoding, and optimization solutions in the United States, Israel, and internationally. It offers a suite of video compression software encoder solutions, including Beamr 4 H.264, Beamr 4X H.264 content adaptive, Beamr 5 HEVC, and Beamr 5X HEVC content adaptive encoders; Beamr JPEGmini photo optimization software solutions for reducing joint photographic experts group file sizes; and Beamr Cloud, a cloud-based Beamr HW-accelerated content adaptive encoding SaaS solution. The company serves tier one over-the-top, content distributors, video streaming platforms, and Hollywood studios.

FY2024 Revenue Contribution from Business Segment(s) Relevant to the Business of the Target Company ^(1,2)

Revenue related to video-processing technology solutions (100%)

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from FactSet.

(2) Based on the annual report of Beamr for the year ended 31 December 2024.

Description of the selected guideline public companies are listed as follows:

#	Company Name	Stock Code	Listing Location
5)	Codemill AB (“ Codemill ”)	CDMIL-SE	Sweden

Business Description

CodeMill AB (publ) provides media workflow applications in Sweden and internationally. It offers Accurate.Video, a web-based platform for video production created for media and other companies; Accurate Player SDK, a cloud based video player; and Cantemo, a media management platform that helps customers order and structure in their media library. The company also provides digital services; and software development and technical services for video and media companies.

FY2024 Revenue Contribution from Business Segment(s) Relevant to the Business of the Target Company ^(1,2)

Revenue related to video-processing technology solutions (100%)

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from FactSet.

(2) Based on the annual report of Codemill for the year ended 31 December 2024.

Description of the selected guideline public companies are listed as follows:

#	Company Name	Stock Code	Listing Location
6)	Morpho, Inc. (“ Morpho ”)	3653-JP	Japan

Business Description

Morpho, Inc. engages in the research and development of artificial intelligence and image processing technologies in Japan, the United States, China, South Korea, Europe, and internationally. The company offers Morpho Automotive Suite, an AI Solution for Automotive Field; Morpho Deep Deblur, which uses AI to eliminate various types of blurring from images; MorphoVideo Summary, a video summarization technology that uses AI to extract scenes from video data; Morpho Image Refiner, a hybrid product that includes PhotoSolid and Morpho HDR functions in a single library; SOFTGYRO, an embedded software for estimating motion between consecutive image frames; PhotoSolid, a software for electronic camera shake correction for still images and noise removal; Morpho HDR, a correction technique for still images that can generate HDR images by synthesizing multiple images with captured with different exposures; MovieSolid and Morpho Hyperlapse are electronic image stabilization and reproduction technologies for moving pictures. It also provides MovieSolid 3D, a video stabilization; Morpho Video Denoiser, Morpho Video Denoiser Lite, and Morpho Video Denoiser Pro for noise reduction in video; Morpho Video Processing Solutions, a video processing software package developed for video production; Morpho WDR and Morpho Video WDR, a DR-Corrected Image Generation platform; Morpho Panorama GP, an embedded software for generating a wide-angle panorama in both horizontal and vertical directions; Morpho Panorama Selfie, an embedded

software for generating panoramic self-portraits; Morpho Effect Library and Morpho Rapid Effect are embedded software programs for providing 135 different types of image effects; Morpho Super-Zoom and Morpho Super-Resolution; Morpho Frame Interpolator; Morpho Smooth Zoom; Morpho Motion Sensor; and SoftNeuro.

FY2024 Revenue Contribution from Business Segment(s) Relevant to the Business of the Target Company ^(1,2)

Revenue related to video-processing technology solutions (100%)

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from FactSet.

(2) Based on the annual report of Morpho for the year ended 31 October 2024.

Description of the selected guideline public companies are listed as follows:

#	Company Name	Stock Code	Listing Location
7)	Vidhance AB (“Vidhance”)	VIDH-SE	Sweden

Business Description

Vidhance AB (publ) provides video enhancement software solution in Sweden and internationally. The company offers Vidhance SDK that integrates into the hardware abstraction layer or application layer to support in selecting method based on product design and desired outcome; and intelligent sensor, and data and image analysis solutions to improve video quality from moving cameras to consumers and professional users. Its solutions are used in smartphones, telemedicine, field service, security and law enforcement, drones, and other applications.

FY2024 Revenue Contribution from Business Segment(s) Relevant to the Business of the Target Company ^(1,2)

Revenue related to video-processing technology solutions (100%)

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from FactSet.

(2) Based on the annual report of Vidhance for the year ended 31 December 2024.

Description of the selected guideline public companies are listed as follows:

#	Company Name	Stock Code	Listing Location
8)	Qbrick AB (“Qbrick”)	QBRICK-SE	Sweden

Business Description

Qbrick AB (publ) provides SaaS-based software solutions in video and film production for companies, governments, and the gaming industry in Sweden and internationally. The company offers a cloud-based technical platform that allows companies and organizations to create, edit, process, store, and distribute live and pre-recorded video. It also provides interactive services where viewers can engage in broadcasts, such as video shopping, live events, or financial company communication.

FY2024 Revenue Contribution from Business Segment(s) Relevant to the Business of the Target Company ^(1,2)

Revenue related to video-processing technology solutions (100%)

Source: S&P Capital IQ

- (1) Based on the latest annual financial data as of the Valuation Date from FactSet.
- (2) Based on the annual report of Qbrick for the year ended 31 December 2024.

Overview of key financial information of the selected guideline public companies as of the Valuation Date are listed as follows:

#	Company Name	Stock Code	Reporting Currency	Revenue	EBITDA	Net Income	Net Asset Value
1)	Agora	API-US	USD'million	138	(6)	5	567
2)	Ai-Media	AIM-AU	AUD'million	65	3	(2)	75
3)	ArcSoft	688088-CN	CNY'million	856	—	230	2,663
4)	Beamr	BMR-US	USD'million	3	(5)	(5)	18
5)	Codemill	CDMIL-SE	SEK'million	74	19	3	50
6)	Morpho	3653-JP	JPY'million	3,281	90	(69)	3,469
7)	Vidhance	VIDH-SE	SEK'million	23	(29)	(24)	37
8)	Qbrick	QBRICK-SE	SEK'million	30	(0)	(11)	17

Source: FactSet

As the majority of revenue of the above guideline public companies are generated from the video-processing technology solutions related business, these guideline public companies, together with the Target Company, are considered to be comparable as they are similarly subject to fluctuations in the economy and performance of the video-processing technology industry. Thus, we consider they are confronted with similar industry risks and rewards.

Adopted Valuation Multiples

After selecting the abovementioned guideline public companies, we have to determine the appropriate valuation multiples for the valuation of the Target Company, in which we have considered price-to-book (“P/B”), price-to-sales (“P/S”), enterprise value/sales (“EV/S”), price-to-earnings (“P/E”) and enterprise value/earnings before interests, taxes, depreciation and amortisation (“EV/EBITDA”) multiples.

P/B multiple is considered not appropriate for this valuation because book value captures only the tangible assets of a company which, if a company creates any added market value (as reflected by a P/B multiple of larger than one), should have its own intangible competencies and advantages. These intangible company-specific competencies and advantages are not captured in the P/B multiple and so in general, the equity's book value has little bearing with its fair value. Given that the Target Company is not a tangible asset-focused company, the P/B multiple is considered not a good measurement of the fair value of the Target Company and is not adopted in this valuation.

EV/EBITDA and P/E multiples are considered not applicable as the Target Company is loss-making, no meaningful multiples can be generated for reference. Thus, EV/EBITDA and P/E multiples are not adopted in this valuation.

EV/S multiple was preferred over P/S multiple since it could capture the differences in capital structure (i.e. net cash/(debt)) between the Target Company and guideline public companies. Therefore, we have selected EV/S multiple as the appropriate methodology for the valuation of the Target Company as of the Valuation Date.

The EV/S multiples of guideline public companies are as follows:

No	Company Name	Stock Code	Currency	Market Capitalization as of 31 December 2025 ⁽¹⁾	Enterprise Value ⁽¹⁾	Trailing 12-months ("LTM") Revenue ⁽¹⁾	EV/S Multiple
1	Agora	API-US	USD'million	381	287	138	2.08x
2	Ai-Media	AIM-AU	AUD'million	166	150	65	2.31x
3	ArcSoft	688088-CN	CNY'million	19,858	19,858	856	23.20x
4	Beamr	BMR-US	USD'million	24	13	3	4.11x
5	Codemill	CDMIL-SE	SEK'million	208	180	74	2.43x
6	Morpho	3653-JP	JPY'million	4,352	1,837	3,281	0.56x
7	Vidhance	VIDH-SE	SEK'million	34	34	23	1.51x
8	Qbrick	QBRICK-SE	SEK'million	22	22	30	0.75x
				Maximum			23.20x
				Minimum			0.56x
				Median ⁽²⁾			2.20x

Notes:

- (1) Data sourced from FactSet database and annual reports of the guideline public companies. The enterprise values of the guideline public companies are computed based on their market capitalization as of 31 December 2025. Revenue data are based on the LTM financial data of the guideline public companies available as of the Valuation Date.
- (2) Median and average share the same role in understanding the central tendency of a sets of numbers. Median, which would not be affected by extreme values, is regarded a better mid-point measure for skewed number distributed. Hence, median is adopted to derive the result, which we consider to be a more reasonable approach to prevent the outliers from distorting the result.

VALUATION RESULT

	<i>RMB'000</i>
LTM Revenue of the Target Company ^{(1),(2)}	28,657
Adopted Median EV/S Multiple	2.20x
Enterprise Value of the Target Company	62,919
Add: Cash and Cash Equivalents ⁽¹⁾	27,592
Less: Debt ⁽¹⁾	—
Less: Minority Interest ⁽¹⁾	—
100% Equity Value of the Target Company (Marketable)	90,511
Less: Lack of Marketability Discount (“LOMD”) ⁽³⁾	15.6% (14,120)
100% Equity Value of the Target Company (Non-Marketable)	76,391
Shareholding Percentage held by the Company	31.47%
31.47% Equity Value of the Target Company (Non-Marketable)	24,040

Notes:

- (1) Sourced from the financial statement of the Target Company as of 31 December 2025 provided by the Management.
- (2) The LTM revenue amount is based on revenue data from 1 January 2025 to 31 December 2025 provided by the Management.
- (3) LOMD reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

As the shares of the Target Company are unlikely to be listed on any major stock exchange or be marketable in the near future, the ownership interest in the Target Company is not readily marketable. The EV/S multiple adopted in the valuation was calculated from public listed companies, which represents marketable ownership interest; fair value calculated using such EV/S multiple, therefore, represents the marketable interest. Thus, LOMD was adopted to adjust such marketable interest fair value to non-marketable interest fair value.

A LOMD is estimated based on the report “Stout Restricted Stock Study Companion Guide (2024 edition)” by Stout Risius Ross, LLC, with reference to 15.6% median discount.

CONCLUSION OF VALUE

Based on our investigation and analysis method employed, it is our opinion that the fair value of the 31.47% equity interest in the Target Company as of the Valuation Date is RMB 24,040k.

The conclusion of the fair value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in the Company nor the value reported.

Yours faithfully,
For and on behalf of
MILES Valuation Advisory Limited
Leo K W HUNG
CPA
Director

Analyzed and Reported by:

Brian K Y Ho

CPA

Senior Analyst

APPENDIX — GENERAL LIMITATIONS AND CONDITIONS

This Report was prepared based on the following general assumptions and limiting conditions:

- All data, including historical financial data, which we relied upon in reaching opinions and conclusions or set forth in the Report are true and accurate to our best knowledge. Whilst reasonable care has been taken to ensure that the information contained in the Report is accurate, we cannot guarantee its accuracy and we assume no liability for the truth or accuracy of any data, opinions, or estimates furnished by or sourced from any third parties which we have used in connection with the Report.
- We also assume no responsibilities in the accuracy of any legal matters. In particular, we have not carried out any investigation on the title of or any encumbrances or any interest claimed or claimable against the property appraised. Unless otherwise stated in the Report, we have assumed that the owner's interest is valid, the titles are good and marketable, and there are no encumbrances that cannot be identified through normal processes.
- The value opinion presented in this Report is based on the prevailing or then prevailing economic conditions and on the purchasing power of the currency stated in the Report as of the date of analysis. The date of value on which the conclusions and opinions expressed apply is stated in this Report.
- This Report has been prepared solely for the use or uses stated. Except for extraction of or reference to the Report by the Company, its financial advisor and/or its independent financial advisor for their respective work in relation to the Potential Transaction or pursuant to any applicable laws, rules or regulation or requirement of any competent regulatory authorities, it is not intended for any other use or purpose or use by any third parties. We hereby disclaim that we are not liable for any damages and/or loss arisen in connection with any such unintended use.
- Prior written consent must be obtained from MILES Valuation Advisory Limited for publication of this Report. No part of this Report (including without limitation any conclusion, the identity of any individuals signing or associated with this Report or the firms/companies with which they are connected, or any reference to the professional associations or organisations with which they are affiliated or the designations awarded by those organisations) shall be disclosed, disseminated or divulged to third parties by any means of publications such as prospectus, advertising materials, public relations, news.
- We assume all applicable laws and governmental regulations are being complied with unless otherwise stated in this Report. We have also assumed responsible ownership and that all necessary licenses, consents, or other approval from the relevant authority or private organisations have been or to be obtained or renewed for any use that is relevant to value analysis in this Report.

1 STATEMENT OF RESPONSIBILITY

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 Circular 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 document misleading.

2 DISCLOSURE OF INTERESTS

(a) Interests of the Directors and the Chief Executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to notify to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, will be as follows:

Long Position in the Shares of the Company

Name of Director	Nature of interest and capacity	Number of Shares or underlying shares held ⁴	Approximate Percentage of issued share capital ⁵
Mr. Guo Langhua ¹	Beneficial owner	49,257,053 (L)	7.81%
Mr. Liu Baodong ²	Beneficial owner	17,118,669 (L)	2.72%
Mr. Pang Gang ³	Beneficial owner	405,000 (L)	0.06%
Mr. Li Youliang ³	Beneficial owner	388,000 (L)	0.06%

Notes:

1. Mr. Guo Langhua held 46,257,053 Shares and the remaining interest is the options representing 3,000,000 underlying Shares upon fully exercise of such options.
2. Mr. Liu Baodong held 14,118,669 Shares and the remaining interest is the options representing 3,000,000 underlying Shares upon fully exercise of such options.
3. Interests in options granted pursuant to the Share Option Scheme.

4. The letter “L” denotes to the long position in the Shares.
5. The percentage of shareholding was calculated based on the Company’s total number of issued Shares as at the Latest Practicable Date (i.e. 630,332,000 Shares).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register of members of the Company or which were required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Interests of the Substantial Shareholders of the Company

As at the Latest Practicable Date, the interest and short positions of the persons (other than the Directors or chief executive of the Company) in the Shares, underlying Shares and debentures of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long Position in the Company’s Shares

Name of substantial shareholder	Nature of interest and capacity	Number of Shares held⁵	Approximate Percentage of issued share capital⁶
Mr. Zheng Fushuang	Founder of a discretionary trust and beneficial owner ¹	223,706,278 (L)	35.49%
Wickhams Cay Trust Company Limited	Trustee and interest of controlled corporation ²	214,278,278 (L)	33.99%
ZFS Holdings Limited	Interest of controlled corporation ²	214,278,278 (L)	33.99%
Wing Success Holdings Limited	Beneficial owner ²	214,278,278 (L)	33.99%
Power Side Limited	Interest of controlled corporation ³	98,098,000 (L)	15.56%
Mr. Li Peng	Beneficial owner ³	98,098,000 (L)	15.56%
Eagle Wings Limited Partnership Fund ⁴	Beneficial owner ⁴	98,098,000 (L)	15.56%

Notes:

1. Mr. Zheng Fushuang is the settlor and a beneficiary of Future Success Trust. Future Success Trust holds the entire issued share capital of ZFS Holdings Limited, which in turn holds the entire issued share capital of Wing Success Holdings Limited. Therefore, Mr. Zheng Fushuang is deemed to be interested in the Shares held by Wing Success Holdings Limited.
2. Wickhams Cay Trust Company Limited is the trustee of Future Success Trust and holds the entire issued share capital of ZFS Holdings Limited which in turn holds the entire issued share capital of Wing Success Holdings Limited. Therefore, Wickhams Cay Trust Company Limited and ZFS Holdings Limited are each deemed under the SFO to be interested in the Shares held by Wing Success Holdings Limited.
3. Mr. Li Peng is the controlling shareholder of Power Side Limited.
4. Eagle Wings Limited Partnership Fund is wholly-owned by Wong Kai Ho.
5. The letter “L” denotes to the long and short positions in the Shares.
6. The percentage of shareholding was calculated based on the Company’s total number of issued Shares as at the Latest Practicable Date (i.e. 630,332,000 Shares).

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

None of the Directors is a director or employee of a substantial shareholder of the Company.

3 DIRECTORS’ INTEREST IN CONTRACTS, ASSETS AND ARRANGEMENT OF SIGNIFICANCE

None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2025, the date to which the latest published audited financial statements of the Group were made up.

4 DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the respective dates of their appointments and will continue thereafter until terminated by not less than three months’ notice in writing served by either party on the other.

As at the Latest Practicable Date, each of the independent non-executive Directors has entered into a letter of appointment with our Company with an initial term of three years commencing from the respective dates of their appointments, subject to termination by either party by giving at least one month's notice in writing.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors has proposed or entered into any service agreement or appointment letter with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

5 COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, Controlling Shareholders or their respective close associate(s) are considered to have interests in business which compete or are likely to compete, either directly or indirectly, with the business of the Group which require disclosure under the GEM Listing Rules. In any event, such Directors will be subject to the usual requirement to abstain from voting on resolutions of the Board approving any proposal in which any Director or his associate has a material interest, such that the decision making of the Board should not be affected by such material interest.

6 LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7 MATERIAL CONTRACTS

The following contract (not being contracts entered into in the ordinary course of business) was entered into by the Group within two (2) years immediately preceding the Latest Practicable Date which are or may be material:

- the Capital Reduction Agreement.

8 AUDIT COMMITTEE

As at the Latest Practicable Date, the Audit Committee consists of three independent non-executive Directors, namely Mr. LI Youliang (Chairman of the Audit Committee), Dr. LI Wanshou and Mr. JIAN Nianqiang. The primary duties of the Audit Committee are mainly to monitor the integrity of the financial information, ensure compliance with accounting standards and play an active role in overseeing the reporting process, internal control procedures and risk management system, effectiveness of the internal audit function, audit plan and relationship with external auditor and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The written terms of reference of the Audit Committee are posted on the GEM website and on the Company's website.

Biographical details of the members of the Audit Committee are as follows:

Mr. LI Youliang (Chairman of the Audit Committee)

Mr. Li Youliang, aged 60, is an independent non-executive Director of the Company. He was appointed to the Board on 1 March 2023. He is the chairman of the audit committee and a member of the nomination committee. Mr. Li has extensive accounting and managing experience in state ministries, financial institutions and state-owned enterprises in the PRC. He served as a general manager of the capital operations department and the responsible officer of the management department of China Far East International Trading Corporation in China* (中國遠東國際貿易總公司), which is a wholly-owned subsidiary of the State Council of the PRC (中華人民共和國國務院) since October 2009. Mr. Li obtained his bachelor's degree in finance and accounting from Zhongnan University of Economics and Law* (中南財經政法大學) (formerly known as Zhongnan University of Finance and Economics* (中南財經大學)) in the PRC in July 1987. Mr. Li did not hold directorships in any listed public companies in the last three years.

Dr. Li Wanshou

Dr. Li Wanshou, aged 61, is an independent non-executive Director of the Company. He was appointed to the Board on 28 June 2018. He is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Dr. Li is currently the founder and chairman of the board of Synergetic Innovation Fund Management Co., Limited (協同創新基金管理有限公司). Dr. Li has over 26 years' experience in the venture capital industry. He was the former president of Shenzhen Capital Group Co., Limited (深圳市創新投資集團有限公司). Dr. Li obtained his doctoral degree in economics from the Chinese Academy of Social Sciences Graduate School (中國社會科學院研究生院) and another doctoral degree in management from Xi'an Jiaotong University (西安交通大學). He also obtained a master's degree in sociology from Sun Yat-Sen University (中山大學) and a bachelor's degree in philosophy from Wuhan University (武漢大學). Dr. Li obtained a number of honors and awards including "Outstanding Achievement Award" issued by the National Development and Reform Commission, 2009-2011 China's top ten venture capitalists issued by Zero2IPO Partners, the Forbes China best venture capitalists, and "the venture capitalists most deserved to be presented to the whole world" jointly issued by the Russian global partner BBS and the National Development and Reform Commission. Dr. Li also serves as the honorary president of Chinese Equity Investors Alliance, the vice director of Huaxia New Supply-side Economics Research Institute, the vice director of China Centre for Promotion of SME Development, the vice director of China Overseas-Educated Scholars Development Foundation, the director of the Equity Investment Center of Sun Yat-Sen University and the Enterprise Tutor of Newhuadu Business School. Dr. Li is also a visiting professor of each of the Chinese Academy of Social Sciences Graduate School, the graduate school of Tsinghua University and the graduate school of Wuhan University. Saved as disclosed above, Dr. Li did not hold any directorships in any public listed companies in the last three years.

Mr. Jian Nianqiang

Mr. Jian Nianqiang, aged 58, is an independent non-executive Director of the Company. He was appointed to the Board on 1 June 2024. He is the chairman of the remuneration committee and a member of the audit committee. Mr. Jian has been serving as the chairman of the board and is the actual controller of Beijing Zunfeng Investment Co., Ltd* (北京尊豐投資有限公司) since 2003. From 1991 to 2003, Mr. Jian held senior management roles at Shenzhen Huihua Group Co., Ltd* (深圳匯華集團有限公司) and at Beijing Huikai Group Co., Ltd* (北京匯凱集團有限公司). Mr. Jian obtained both his master's degree and doctorate degree in economics from Wuhan University (武漢大學) in July 1991 and in 2006, respectively. Mr. Jian did not hold directorships in any listed public companies in the last three years.

Save as disclosed in this section, each of our Directors confirmed that he/she does not have any relationship with other Directors, senior management or controlling shareholders of the Company and none of the Directors is involved in the events mentioned in Rule 17.50(2) of the GEM Listing Rules.

9 EXPERT AND CONSENT

The qualifications of the expert who has been named in this Circular or have given opinions or advice which are contained herein are set out below:

Name	Qualification
Miles Valuation Advisory Limited	independent valuer

As at the Latest Practicable Date, the expert named above (i) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion therein of its letter and references to its name and/or its advice in the form and context in which they respectively appear; (ii) was not beneficially interested in any share of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (iii) did not have any direct or indirect interest in any assets which have been acquired, or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

10 GENERAL

The company secretary of the Company is Mr. Au Wai Keung. Mr. Au has extensive experience in corporate secretarial practice and has achieved various professional qualifications, including a fellow member of the Hong Kong Institute of Certified Public Accountants (香港會計師公會) in May 2015 and a fellow member of The Institute of Chartered Accountants in England and Wales (英格蘭及威爾士特許會計師協會) in August 2018. Mr. Au is currently the director of Arion & Associates Limited (亞利安會計事務所有限公司).

The Company's registered office is situated at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company's branch share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited, at 17th Floor Hopewell Centre 183 Queen's Road East Hong Kong.

The English text of this Circular shall prevail over its respective Chinese text for the purpose of interpretation.

11 DOCUMENTS ON DISPLAY

The following documents will be published on the Company's website (www.cdv.com) and the Stock Exchange's website (<https://www.hkexnews.hk>) for a period of 14 days from the date of this Circular:

- (i) the Capital Reduction Agreement;
- (ii) the valuation report as set out in Appendix II to this Circular; and
- (iii) the letter of consent referred to in the paragraph headed "9. Expert and Consent" in this appendix.

NOTICE OF EGM



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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of China Digital Video Holdings Limited (the “**Company**”) will be held on 13 April 2026 at 10:00 a.m. at 8/F, China Digital Video Technical Plaza, No. 131 West Fourth Ring Road N, Haidian District, Beijing, PRC for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as:

ORDINARY RESOLUTIONS

“THAT:

- (a) the capital reduction agreement dated 19 January 2026 (the “**Capital Reduction Agreement**”) entered into between (i) Beijing Meishe Network Technology Co., Ltd.* (北京美攝網絡科技有限公司) (the “**Joint Venture**”) and (ii) Xinaote (Beijing) Video Technology Co., Ltd. (新奧特(北京)視頻技術有限公司) (“**CDV BJ**”), a wholly-owned subsidiary of the Company; and (iii) the Other JV Parties (as defined in the circular of the Company dated 20 March 2026, hereafter the “**Circular**”) (a copy of which marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification), in relation to, among other matters, the proposed targeted reduction of the registered capital of the Joint Venture from RMB31,780,500 to RMB15,000,000, pursuant to which CDV BJ will receive RMB30,000,000 in cash as consideration for the cancellation of its equity interest in the Joint Venture, and all transactions contemplated thereunder, details of which are described in the Circular (a copy of which marked “B” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) be and are hereby approved, ratified and confirmed;
- (b) any one of the directors of the Company (the “**Directors**”) be and is hereby authorised, for and on behalf of the Company, to do all such acts and things, to take all such steps and to sign or otherwise execute all such agreements, documents, deeds or instruments as they may in his/her absolute discretion consider necessary, desirable or expedient in connection with or to implement and/or to give effect to the Capital Reduction Agreement and the transactions contemplated thereunder and all matters incidental thereto; and

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- (c) any one of the Directors be and they are hereby authorised to agree to such variation, amendment, modification and/or waiver of any matters relating to or in connection with the Capital Reduction Agreement and the transactions contemplated thereunder as are, in his/her opinion in the interests of the Company and its shareholders as a whole in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and other applicable law, rules and regulations.”

By Order of the Board
China Digital Video Holdings Limited
GUO Langhua
Chairman

Hong Kong, 20 March 2026

As at the date of this notice, the executive Directors are Mr. GUO Langhua, Mr. PANG Gang and Mr. LIU Baodong, and the independent non-executive Directors are Mr. JIAN Nianqiang, Mr. LI Youliang, Dr. LI Wanshou and Ms. XU Mei.

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. In order to be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the form of proxy shall be deemed to be revoked.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned Meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

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6. To ascertain shareholders' eligibility to attend and vote at this Meeting, the register of members of the Company will be closed from 8 April 2026 to 13 April 2026 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the extraordinary general meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m., on Thursday, 2 April 2026.
7. Voting on the above resolutions will be taken by poll.
8. A form of proxy for use at the Meeting is enclosed.