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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 TRANSACTION

CAPITAL REDUCTION IN A JOINT VENTURE

CAPITAL REDUCTION IN A JOINT VENTURE

The Company announces that, 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 date of this announcement, 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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transaction 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.

GENERAL

A circular containing, *inter alia*, (i) further information regarding the Capital Reduction Agreement; (ii) other information as required to be disclosed under the GEM Listing Rules is expected to be despatched for the Shareholders' information on or before 9 February 2026.

PRINCIPAL TERMS OF THE CAPITAL REDUCTION AGREEMENT

Date

19 January 2026

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, 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 date of this announcement, 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. However, given the Joint Venture is not a connected subsidiary of the Company, the entering into of the Capital Reduction Agreement does not constitute a connected transaction of the Company.

Capital Reduction and Consideration

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 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.

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 following 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;
- (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.

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 the date of this announcement and upon completion of the Capital Reduction:

Equity holders	As at the date of this announcement		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	1,070,000	3.37%	1,070,000	7.13%
Total	<u>31,780,500</u>	<u>100%</u>	<u>15,000,000</u>	<u>100%</u>

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL REDUCTION AGREEMENT

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.

INFORMATION OF THE GROUP

The Company

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.

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 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> (audited)	<i>RMB'000</i> (audited)
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).

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).

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).

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 the date of this announcement, 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 29.41% owned by CDV BJ, approximately 39.21% by Beijing Ruijiting Technology Center (LP)* (北京瑞基庭科技中心(有限合夥)), approximately 29.41% by Beijing Yuweihao Technology Center (LP)* (北京裕微豪科技中心(有限合夥)), and 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)..

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.

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).

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) 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.

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 will be used as general working capital of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transaction 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.

As at the date of this announcement, 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.

GENERAL

A circular containing, inter alia, (i) further information regarding the Capital Reduction Agreement; (ii) other information as required to be disclosed under the GEM Listing Rules is expected to be despatched for the Shareholders' information on or before 9 February 2026.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement have the following meanings:

“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

“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 whose shares are listed on the on GEM of the Stock Exchange
“Directors”	the directors of the Company
“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 resolution approving the Capital Reduction Agreement and the transactions contemplated thereunder
“Independent Third Party”	third party independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“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
“Liu Tiehua”	Liu Tiehua (劉鐵華), a PRC citizen, PRC Identity Card No. 411323197709283870

“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
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, 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
“Share(s)”	ordinary share(s) in the issued capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

“%”

per cent

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

Hong Kong, 19 January 2026

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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

* *For identification purposes only. The English names are only translations of the official Chinese names. In case of inconsistency, the Chinese names prevail.*