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Digital Video Systems, Inc. Announces Shanghai Factory Working Around the Clock

SAN JOSE, Calif., July 24 -- Digital Video Systems, Inc. (Nasdaq: [DVID - News](#)), a leading manufacturer of DVD loaders and other DVD-based products, today announced that its Shanghai factory is on a production schedule which runs around the clock.

Workers at the Shanghai factory are assembling DVD loaders in two 10-hour shifts with four hours set aside each day for service and maintenance. At the current run-rate, the factory, which was originally designed for a capacity of 300,000 loaders per month, is expected to produce approximately 500,000 loaders per month during this year's busy season which runs from July through November. In addition, the factory is on track to produce over 4 million loaders this year compared to the approximately 1.58 million loaders produced during 2001. This torrid pace is in marked contrast to the virtual idleness experienced by the Shanghai facility earlier this year.

The Shanghai factory is owned by Shanghai Fangyuan Digital Technology Ltd., a joint venture which is 51% owned by the Company's Korean subsidiary, 10% owned directly by the US parent and 39% owned by the Shanghai Industrial Investment Group. The factory is managed by the Korean subsidiary.

About DVS

Digital Video Systems, Inc., established in 1992, specializes in the development and application of digital video technologies. The Company currently develops and markets DVD loaders for DVD video players and DVD-ROM drives for personal computers in the consumer electronics and computer peripherals markets.

DVS is a publicly-held company headquartered in San Jose, California, with subsidiaries and branch offices in South Korea and China.

Any statements made in this release that are not historical facts contain forward-looking information that involves risks and uncertainties. Important factors that may cause actual results to differ include, but are not limited to, the timely availability of components, sufficiency of working capital, the impact of competitive products and services, the company's ability to manage growth and acquisitions of technology or businesses, the effect of economic and business conditions, and other risks detailed from time to time in the company's filings with the Securities and Exchange Commission.