CMMB VISION HOLDINGS LIMITED
中國移動多媒體廣播控股有限公司
(formerly known as Global Flex Holdings Limited)
(前稱佳邦環球控股有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 471)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

The board (the "Board") of directors (the "Directors") of CMMB Vision Holdings Limited (formerly known as Global Flex Holdings Limited) (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2010 (the "Period") together with the comparative figures of 2009 as follows:-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2010

	NOTES	Six months ended 30 June	
		2010	2009
		US$	US$
		(unaudited)	*(unaudited)*
			(restated)
Continuing operations			
Revenue	3	**5,897,164**	126,080
Cost of sales		**(8,715,488)**	(6,069,412)
Gross loss		**(2,818,324)**	(5,943,332)
Other income		**663,225**	968,371
Distribution and selling expenses		**(138,769)**	(122,603)
Administrative expenses		**(3,203,425)**	(2,322,998)
Other expenses		**(2,043,097)**	—
Impairment loss on trade and other receivables, net reversed (recognised)		**1,194,764**	(268,278)
Gain on disposal on an available-for-sale investment		**2,755**	—
Loss on disposal on property, plant and equipment		**(9,618)**	(683,189)
Finance costs		**(739,263)**	(1,012,482)
Loss for the period from continuing operations	5	**(7,091,752)**	(9,384,511)
Discontinued operations			
Loss for the period from discontinued operations	6	**—**	(8,000,805)
Loss for the period		**(7,091,752)**	(17,385,316)
Other comprehensive income			
Exchange differences arising on translation		**33,336**	23,134
Total comprehensive expense for the period		**(7,058,416)**	(17,362,182)
		US cents	*US cents*
Loss per share	8		
From continuing and discontinued operations			
- Basic and diluted		**(0.26)**	(1.07)
From continuing operations			
- Basic and diluted		**(0.26)**	(0.58)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010

	NOTES	**30 June 2010** *US$* **(unaudited)**	31 December 2009 *US$* (audited)
Non-current assets			
Property, plant and equipment	9	**20,122,575**	21,603,268
Prepaid lease payments - non-current portion		**877,412**	1,100,588
Available-for-sale investments		**26,824**	3,676,678
Advance payments in respect of CMMB projects		**1,998,328**	—
		23,025,139	26,380,534
Current assets			
Inventories		**1,747,729**	671,800
Trade and other receivables	10	**11,437,395**	8,269,254
Prepaid lease payments - current portion		**459,496**	456,986
Bank balances and cash		**4,643,318**	2,721,621
		18,287,938	12,119,661
Current liabilities			
Trade and other payables	11	**13,150,302**	13,046,764
Amount due to a related company		**55,445**	199,916
Amount due to a director		**—**	154,129
Other borrowing - due within one year		**589,023**	585,806
		13,794,770	13,986,615
Net current assets (liabilities)		**4,493,168**	(1,866,954)
		27,518,307	24,513,580
Capital and reserves			
Share capital		**3,696,929**	2,979,580
Share premium and reserves		**(8,807,650)**	(11,318,208)
		(5,110,721)	(8,338,628)
Non-current liabilities			
Bank borrowings - due after one year		**23,622,631**	23,566,815
Other payables		**9,006,397**	9,285,393
		32,629,028	32,852,208
		27,518,307	24,513,580

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of a loss of US$7,091,752 for the six months ended 30 June 2010 and the Group's liabilities exceeded its assets as at 30 June 2010 by US$5,110,721.

In the opinion of the directors of the Company, the Group should be able to continue as a going concern in the coming year taking into consideration of the measures to improve its financial position, but is not limited to, as the following:

(a) Subsequent to implementation of the restructuring plan, the Company has been in active negotiation on domestic and overseas China Mobile Multimedia Broadcasting ("CMMB") acquisition and takeover projects, with the aim of becoming a CMMB mobile multimedia services operator and provider in the near future;

(b) The Company is planning cooperation with domestic institutions to establish and operate provincial CMMB interactive multimedia channels in Liaoning, Yunnan and certain other provinces in the People's Republic of China (the "PRC"), which will be supported by over 40,000 hours' programs. The Company also wishes to consolidate this business as soon as practicable;

(c) The Company is also in negotiation with overseas institutions on the joint development of CMMB business in developing countries such as Mongolia, Indonesia and countries in Africa. The Company expects to see positive results soon;

(d) The directors of the Company expected the Company will close current negotiation on potential acquisition and development projects by the end of 2010, and the Company intends to invest through shares and cash in order to minimize its capital cost;

(e) The Company expects that, following the acquisition, its business model will be gradually shifted from a rigid printed circuit boards factory to a mobile television multimedia and internet services provider. The new business operation requires less capital than manufacturing does, currently estimated to be approximately RMB30 million for the first year, which will help to improve the overall profit margin of the Company. Details are set out in the Company's announcement dated 2 July 2010.

The directors of the Company consider these measures will effectively improve liquidity of the Group and are satisfied that the Group will have sufficient financial resources to meet in full its financial obligations, including bank borrowings and other payables of US$23,622,631 and US$9,006,397, respectively, repayable from December 2012 onward. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for the conversion option derivative of conversion loan notes, which are measured at fair value.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009 except as described below.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretation ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners

The Group applies HKFRS 3 (Revised) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) "Consolidated and Separate Financial Statements" in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised) and HKAS 27 (Revised) had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable.

Amendment to HKAS 17 "Leases"

As part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. Instead, the amendment requires the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee.

In accordance with the transitional provisions of HKAS 17 “Leases”, the Group reassessed the classification of land elements of unexpired leases at 1 January 2010 based on information which existed at the inception of these leases. No land elements met finance lease classification requirement and no reclassification is required.

The adoption of the other new and revised HKFRSs has had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[3]
HKFRS 9	Financial Instruments[5]
HK(IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

1 Effective for annual periods beginning on or after 1 July 2010 and1 January 2011, as appropriate.

2 Effective for annual periods beginning on or after 1 February 2010.

3 Effective for annual periods beginning on or after 1 July 2010.

4 Effective for annual periods beginning on or after 1 January 2011.

5 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

HKFRS 8 "Operating Segments", requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the executive directors) in order to allocate resources to segments and to assess their performance.

The Group's continuing operations have two operating segments based on its major products: (i) rigid printed circuit boards; and (ii) rigid printed circuit boards assembly. Each operating segment derives its revenue from the sale of products. They are managed separately because each product requires different technology and marketing strategies.

The Group involved in manufacture and sale of flexible printed circuit boards and flexible printed circuit boards assembly. These operations were discontinued with effect from 27 September 2009 (see note 6). The comparative figures related to discontinued operations have been re-presented.

Any analysis of the Group's segment information by operating segment for continuing operations is as follows:

Continuing operations

Six months ended 30 June 2010 (unaudited)

	Rigid printed circuit boards	Rigid printed circuit boards assembly	Consolidated
	US$	*US$*	*US$*
Revenue from external customers	5,897,164	—	5,897,164
Cost of sales	(10,716,411)	—	(10,716,411)
Distribution and selling expenses	(138,769)	—	(138,769)
Segment loss	(4,958,016)	—	(4,958,016)

Six months ended 30 June 2009 (unaudited)

	Rigid printed circuit boards	Rigid printed circuit boards assembly	Consolidated
	US$	*US$*	*US$*
Revenue from external customers	62,358	63,722	126,080
Cost of sales	(4,600,341)	(245,491)	(4,845,832)
Distribution and selling expenses	(98,120)	(24,483)	(122,603)
Segment loss	(4,636,103)	(206,252)	(4,842,355)

Segment loss represents gross loss plus distribution and selling expenses excluding the write-down of inventories and reversal of write-down of inventories. This is the measure reported to the executive directors for the purpose of resource allocation and assessment of segment performance.

Segment loss is reconciled to loss for the period of the Group as follows:

	Six months ended 30 June	
	2010	2009
	US$	*US$*
	(unaudited)	(unaudited) (restated)
Continuing operations		
Total segment loss	**(4,958,016)**	(4,842,355)
Unallocated items:		
Interest income	**8,195**	484
Other income	**655,030**	967,887
Gain on disposal on an available-for-sale investment	**2,755**	—
Impairment loss on trade and other receivables, net reversed (recognised)	**1,194,764**	(268,278)
Reversals of write-down of inventories	**2,000,923**	—
Interest expenses	**(739,263)**	(1,012,482)
Write-down of inventories	**—**	(1,223,580)
Loss on disposal of property, plant and equipment	**(9,618)**	(683,189)
Other expenses	**(5,246,522)**	(2,322,998)
Loss for the period from continuing operations	**(7,091,752)**	(9,384,511)

4. TAXATION

No provision for Hong Kong Profits Tax and Taiwan Income Tax has been made as the Group's profit neither arises in, nor derived from Hong Kong and Taiwan.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Company is 25% from 1 January 2008 onward. No provision for PRC income tax has been made in the condensed consolidated financial statements as all of the PRC subsidiaries did not have taxable income for both periods.

Pursuant to the relevant laws and regulations in the PRC, Global Flex (Suzhou) Company Limited ("Global Flex (Suzhou)"), the PRC subsidiary of the Company, is entitled to the exemptions from the PRC EIT for two years starting from its first profit-making year and to a 50% relief from the EIT for the following three years ("Tax Holidays").

The first profit-making year of Global Flex (Suzhou) is the year ended 31 December 2002. In December 2005, Global Flex (Suzhou) re-invested and increased its capital by US$16,000,000 to US$48,000,000. As a result, Global Flex (Suzhou) is entitled to another Tax Holidays on a capital proportionate basis from the date of reinvestment subject to the approval by the relevant tax authority. Upon approval obtained from relevant tax authority, one-third of the taxable profit of Global Flex (Suzhou) is subject to the Tax Holidays from 2005 to 2009. The tax rate of Global Flex (Suzhou) is approximately 20.83% and 25% for six months ended 30 June 2009 and 2010, respectively.

The EIT Law imposes withholding tax upon distribution of the profits earned by the PRC subsidiaries on or after 1 January 2008 to their shareholders. No deferred tax liability has been recognised in respect of such withholding tax due to absence of undistributed profits for both periods.

5. LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS

Loss for the period from continuing operations has been arrived at after charging (crediting):

	Six months ended 30 June	
	2010	2009
	US$	*US$*
	(unaudited)	(unaudited)
		(restated)
Depreciation of property, plant and equipment	**1,676,349**	1,725,126
Interest on bank and other borrowings wholly repayable within five years	**739,263**	929,133
Effective interest expense on convertible loan notes	**—**	83,349
Redundancy cost	**—**	228,099
Share-based payments expense to consultants (included in other expenses) (note iii)	**2,043,097**	—
Release of prepaid lease payments	**228,049**	222,912
(Reversals of) write-down of inventories (note i)	**(2,000,923)**	1,223,580
Impairment loss on trade and other receivables, net (reversed) recognised (note ii)	**(1,194,764)**	268,278
Bank interest income	**(8,195)**	(484)

Notes:

(i) During the six months ended 30 June 2010, there were sales of inventories of which the inventories were sold at the selling price over their net realisable values. As a result, reversals of write down of inventories of US$2,000,923 (1.1.2009 to 30.6.2009: nil) has been recognised. During the six months ended 30 June 2009, there were some inventories stated higher than the net realisable value. As a result, a written down of US$1,223,580 had been recognised.

(ii) During the six months ended 30 June 2010, there were repayments from debtors which were written-off by the Group in prior year. As a result, a reversal of impairment of trade and other receivables of US$1,194,764 (1.1.2009 to 30.6.2009: nil) had been recognised.

(iii) During the six months ended 30 June 2010, there were share-based payments expenses to consultants in respect of the consultants services rendered for development of CMMB business.

6. DISCONTINUED OPERATIONS

On 30 July 2009, the Group entered into a share sale agreement to dispose of the entire interest in a wholly-owned subsidiary, Global Flex (Suzhou) Plant II Co. Ltd. ("Global Flex (Suzhou) Plant II") incorporated in the PRC (the "Share Sale Agreement"), and an asset sale agreement to dispose of certain property, plant and equipment of Global Flex (Suzhou) (the "Asset Sale Agreement"). The transactions contemplated under the Share Sale Agreement and the Asset Sale Agreement were entered into by the Group with the same counter party on the same date. Both disposals were completed on 27 September 2009. After these disposals, the Group discontinued the production of flexible printed circuit boards and flexible printed circuit boards assembly.

The comparative figures related to discontinued operations have been re-presented.

The net loss for the period from the discontinued operations is analysed as follows:

	Six months ended 30 June	
	2010	2009
	US$	*US$*
	(unaudited)	(unaudited)
		(restated)
Loss for the period from discontinued operations	**—**	(8,000,805)

The results of the discontinued operations for the period from 1 January 2009 to 30 June 2009, which have been included in the condensed consolidated statement of comprehensive income, were as follows:

	Six months ended 30 June	
	2010	2009
	US$	*US$*
	(unaudited)	(unaudited)
		(restated)
Revenue	**—**	3,276,808
Cost of sales	**—**	(9,461,773)
Impairment loss on trade and other receivables	**—**	(622,030)
Distribution and selling expenses	**—**	(186,046)
Administrative expenses	**—**	(1,007,764)
Loss for the period	**—**	(8,000,805)

Loss for the period from discontinued operations including:

	Six months ended 30 June	
	2010	2009
	US$	*US$*
	(unaudited)	(unaudited)
		(restated)
Depreciation of property, plant and equipment and release of prepaid lease payments	**—**	(3,360,642)
Write-down of inventories	**—**	(1,494,938)
Impairment loss on trade and other receivables	**—**	(622,030)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment for discontinued operations:

Six months ended 30 June 2009 (unaudited)

	Flexible printed circuit boards	**Flexible printed circuit boards assembly**	**Total**
	US$	*US$*	*US$*
Revenue from external customers	621,660	2,655,148	3,276,808
Cost of sales	(4,323,657)	(3,643,178)	(7,966,835)
Distribution and selling expenses	(117,673)	(68,373)	(186,046)
Segment loss	(3,819,670)	(1,056,403)	(4,876,073)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents gross loss plus distribution and selling expenses excluding the write-down of inventories. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance measurement.

Segment loss are reconciled to loss before taxation for discontinued operations as follows:

	Six months ended 30 June	
	2010	2009
	US$	*US$*
	(unaudited)	(unaudited)
		(restated)
Discontinued operations		
Segment loss	—	(4,876,073)
Unallocated expenses:		
Write-down of inventories	—	(1,494,938)
Impairment loss on trade and other receivables	—	(622,030)
Administrative expenses	—	(1,007,764)
Loss for the period for discontinued operations	—	(8,000,805)

7. **DIVIDENDS**

No dividends were paid, declared or proposed during both reporting periods.

8. **BASIC AND DILUTED LOSS PER SHARE**

For continuing and discontinued operations

The calculation of the basic and diluted loss per share attributed to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2010	2009
	US$	*US$*
	(unaudited)	(unaudited)
Loss for the period for the purposes of basic and diluted loss per share	**(7,091,752)**	(17,385,316)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**2,683,411,077**	1,617,813,398

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

Loss per share are calculated as follows:

	Six months ended 30 June	
	2010	2009
	US$	*US$*
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company	**(7,091,752)**	(17,385,316)
Less: loss for the period from discontinued operations	**—**	8,000,805
Loss for the period for the purposes of basic and diluted loss per share from continuing operations	**(7,091,752)**	(9,384,511)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operations

For the six months ended 30 June 2009, basic and diluted loss per share for the discontinued operations was US$0.0049 per share, based on the loss for the period from the discontinued operations of US$8,000,805 and the denominators detailed above for both basic and diluted loss per share.

No adjustment for share options was made in calculating diluted loss per share for the six months ended 30 June 2010 as the exercise of share options would result in decrease in loss per share.

No adjustment for share options and convertible loan notes was made in calculating diluted loss per share for the six months ended 30 June 2009 as the exercise price of the Company's outstanding share options was higher than the average market price for the period and conversion of convertible loan notes would result in decrease in loss per share.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group disposed of certain plant and machinery with a carrying amount of US$9,618 (2009: US$3,150,851) without any consideration (2009: for offset with other payable of US$2,467,662), resulting in a loss on disposal of US$9,618 (1.1.2009 to 30.6.2009: US$683,189).

In addition, the Group spent approximately US$33,887 (1.1.2009 to 30.6.2009: US$164,000) as additions to machinery and equipment in the PRC, in order to expand its manufacturing capabilities.

10. TRADE AND OTHER RECEIVABLES

The Group generally allows an average credit period ranged from 30 days to 150 days to its trade customers.

The analysis of trade receivables by age, presented based on the invoice date, net of allowance for doubtful debts as at the end of the reporting period are as follows:

	As at 30 June 2010 *US$* **(unaudited)**	As at 31 December 2009 *US$* (audited)
Trade receivables:		
0 - 30 days	**1,286,182**	583,281
31 - 60 days	**1,490,021**	2,620,957
61 - 90 days	**1,442,520**	473,081
91 - 120 days	**264,229**	—
121 - 150 days	**163,600**	—
Over 150 days	**806,247**	25,074
	5,452,799	3,702,393
Other receivables	**5,984,596**	4,566,861
	11,437,395	8,269,254

11. TRADE AND OTHER PAYABLES

The aged analysis of trade payables at the end of the reporting period, based on the invoice date, are as follows:

	As at 30 June 2010 *US$* (unaudited)	As at 31 December 2009 *US$* (audited)
Trade payables:		
0 - 90 days	**1,540,297**	3,331,265
91 - 120 days	**27,301**	42,759
121 - 180 days	**5,485**	—
181 - 365 days	**18,300**	24,783
Over 365 days	**2,968,177**	2,897,618
	4,559,560	6,296,425
Other payables	**8,590,742**	6,750,339
	13,150,302	13,046,764

12. MATERIAL LITIGATION

As at 30 June 2010, a subsidiary of the Company have been named as defendants in several PRC court actions in respect of default payment of payable to suppliers and creditors for an aggregate amount of approximately US$1,952,000 (31.12.2009: US$2,040,000). The claimed amounts were fully provided in the condensed consolidated financial statements and included in trade and other payable.

REVIEW OF OPERATIONS/BUSINESS

The principal activity of the Company is investment holding whilst its subsidiaries are mainly engaged in manufacture and trading of printed circuit boards and assembly.

During the Period, the Group recorded a total turnover of approximately US$5.9 million, representing an increase of approximately US$5.8 million (approximately 59 times) as compared to the corresponding period of 2009.

Following the recent successful completion of its corporate restructuring, the Company has been pursuing opportunities arising from China's new policy in support of 3-Way Network Convergence (television, telecom and internet) and, in particular, has been focused on developing mobile television and interactive multimedia business based on the China Mobile Multimedia Broadcasting ("CMMB") standards. The Company's goal is to develop into a mobile TV multimedia company, providing CMMB-based services, solutions, and innovations in China and in other markets around the world.

The English name of the Company has been changed to "CMMB Vision Holdings Limited" and its Chinese name has been changed to "中國移動多媒體廣播控股有限公司" on 14 May 2010 to better reflect the Company's new identity and focus. The Company is engaged in several strategic initiatives aimed at creating a vertically integrated mobile TV new media platform for business expansion. The progress is thus far in line with expectations.

CMMB is China home grown mobile TV technology standard that provides terrestrial and satellite broadcast transmission to mobile devices, (e.g. smart-phones, car-mount TVs, GPS, PC TVs, etc.) with accompanying interactive multi-media services. The standard's principal funder is Dr. Hui Liu, the vice-chairman of the Company. The China Broadcasting Corporation, under the State Administration of Radio, Film and Television ("SARFT") commenced commercial CMMB services in 2010 and already operates the world's largest mobile television broadcasting network covering over 300 cities within more than 500 million inhabitants.

CMMB is a key driver for China's 3-Way Network Convergence. China Mobile, the world's largest mobile networks operator, is preparing to roll-out its convergence TD-CMMB services, which packages TD-SDMA 3G voice, data and internet services with CMMB Mobile TV. The service is expected to commence in 2010 and with projected subscribers reaching well over 100 million within a few years.

FINANCIAL REVIEW

For the Period, the Group recorded loss for the period of approximately US$7.1 million as compared to loss for the period approximately US$17.4 million for the period ended 30 June 2009, representing a decrease of approximately 59.2%. Loss per share was approximately US0.26 cents (six months ended 30 June 2009: approximately US1.07 cents) and net liabilities per share of the Company was approximately US0.18 cents (31 December 2009: approximately US0.36 cents).

Turnover and gross loss margin

For the Period, the Group recorded a turnover of approximately US$5.9 million, gross loss of approximately US$2.8 million and loss of approximately US$7.1 million as compared to a turnover of approximately US$0.1 million, gross loss of approximately US$5.9 million and loss of approximately US17.4 million for the six months ended 30 June 2009, representing an increase in turnover of approximately 59 times, decrease in gross loss and loss of approximately 52.5% and 59.2% respectively.

Operating expenses

During the Period, the Group's distribution and selling expenses increased by 13.0% to approximately US$139,000 (six months ended 30 June 2009: approximately US$123,000).

During the Period, the Group's administrative expenses increased by 126.1% to approximately US$5.2 million (six months ended 30 June 2009: approximately US$2.3 million), it mainly comprises share-based payments of approximately US$2.6 million (six months ended 30 June 2009: Nil) and which is the main reason for the increase in administrative expenses of the Group.

For the Period, the Group had impairment loss reverse on trade and other receivables of approximately US$1.2 million (six months ended 30 June 2009: Loss approximately US$0.3 million). The Group has tighten the control to receive the order from its customers, therefore most of the current trade receivables were settled within their credit period and certain bad debts were recovered during the Period.

The finance costs decreased by 30.0% to approximately US$0.7 million (six months ended 30 June 2009: approximately US$1.0 million) during the Period, the decrease in finance costs is mainly due to significant repayments of bank loans by a subsidiary during the year ended 31 December 2009.

INTERIM DIVIDEND

The Board does not recommend declare any interim dividend to the shareholders of the Company for the Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2010, the Group had shareholders' deficits of approximately US$5.1 million. Current assets amounted to approximately US$18.3 million. It mainly comprises bank balances and cash of approximately US$4.6 million and trade and other receivables of approximately US$11.4 million. Current liabilities amounted to approximately US$13.8 million. It mainly comprises trade and other payables of approximately US$13.2 million.

As at 30 June 2010, the Group's current ratio was 1.33 (31 December 2009: 0.86) and the gearing ratio (a ratio of total loans to total assets) was 80.4% (31 December 2009: 86.8%).

As at 30 June 2010, the Group's bank loan balance is approximately US23.6 million, all loans are fixed rate borrowings which carried interest rates ranging from 3.28% to 9.36% per annum.

On 7 January 2010, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 200,000,000 new shares of the Company for an aggregate consideration of HK$20,600,000 (Equivalent to US$2,658,065) at a subscription price of HK$0.103 per subscription share. The net proceeds of this subscription was used as general working capital during the Period.

On 28 January 2010, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 165,945,000 new shares of the Company for an aggregate consideration of HK$17,922,060 (Equivalent to US$2,312,524) at a subscription price of HK$0.108 per subscription share. The net proceeds of this subscription was used as general working capital during the Period.

On 25 May 2010, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 184,400,000 new shares of the Company for an aggregate consideration of HK$20,468,400 (Equivalent to US$2,641,084) at a subscription price of HK$0.111 per subscription share. The net proceeds of this subscription was used as general working capital during the Period.

FOREIGN EXCHANGE EXPOSURE

For the Period, most assets, liabilities and transactions of the Group are denominated in Renminbi ("RMB"), Hong Kong Dollars ("HK$") and US$. The management believes that foreign exchange risk does not affect the Group since the sales and purchases in RMB substantially hedged the risks of the transactions in foreign currency and the Group did not make any other hedging arrangement during the Period.

SEGMENT INFORMATION

Details of segment information of the Group for the Period are set out in note 3 to the condensed consolidated financial statements.

EMPLOYEE BENEFITS

For the Period, the average number of employees of the Group was approximately 500 (six months ended 30 June 2009: approximately 1,500), and the Group's staff costs amount to approximately US$1.1 million (six months ended 30 June 2009: approximately US$2.2 million). The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice. During the Period, the Company has granted 56,455,000 share options to a Director and employees of the Group (six months ended 30 June 2009: Nil) under the share option scheme of the Company adopted on 5 July 2005.

The employees of the Company's subsidiaries in the PRC are members of a state-managed social welfare scheme operated by the local government of the PRC. Under the scheme, the Group provides retirement, medical, employment injury, unemployment and maternity benefits to its employees in the PRC in accordance with the relevant PRC rules and regulations. The Group is required to contribute a specified percentage of their payroll costs to the social welfare scheme to fund the benefits. The only obligation of the Group with respect to the social welfare scheme is to make the specified contributions.

MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENT

During the Period, the Group did not have any material acquisition or disposals of subsidiaries or associates.

The Company is planning cooperation with domestic institutions to establish and operate provincial CMMB interactive multimedia channels in Liaoning, Yunnan and certain other provinces in the PRC, which will be supported by over 40,000 hours' programs. The Company is also negotiation with overseas institutions on the joint development of CMMB business in developing countries such as Mongolia, Indonesia and countries in Africa. The Directors expected the Company will close current negotiation on potential acquisition and development projects by the end of 2010, and the Company intends to invest through shares and cash in order to minimize its capital cost.

CHARGE ON ASSETS

As at 30 June 2010, pledges of the Group's properties and prepaid lease payments amounted to approximately US$17.5 million and US$0.7 million respectively (31 December 2009: approximately US$18.6 million and US$0.7 million respectively) to secure its bank borrowings.

CONTINGENT LIABILITIES

As at 30 June 2010, neither the Group nor the Company has any significant contingent liabilities (31 December 2009: Nil).

PROSPECTS

The Company has been pursuing opportunities arising from China's new policy in support of 3-Way Network Convergence (television, telecom and internet) and, in particular, has been focused on developing mobile television and interactive multimedia businesses based on the China Mobile Multimedia Broadcasting ("CMMB") standard. The Company's goal is to develop into a mobile TV multimedia company, providing CMMB-based services, solutions, and innovations in China and in other markets around the world.

CMMB is China home grown mobile TV technology standard that provides terrestrial and satellite broadcast transmission to mobile devices, (e.g. smart-phones, car-mount TVs, GPS, PC TVs, etc.) with accompanying interactive multi-media services. The standard's principal founder is Dr. Hui Liu, the vice-chairman of the Company. The China Broadcasting Corporation, under the State Administration of Radio, Film and Television ("SARFT") commenced commercial CMMB services in 2010 and already operates the world's largest mobile television broadcasting network covering over 300 cities with more than 500 million inhabitants. CMMB is a key driver for China's 3-Way Network Convergence. China Mobile, the world's largest mobile networks operator, is preparing to roll-out its convergence TD-CMMB services, which packages TD-SDMA 3G voice, data and internet services with CMMB Mobile TV. The service is expected to commence in 2010 and with projected subscribers reaching well over 100 million within a few years. The Company will endeavour in China's CMMB and 3-Way Network Convergence developments, and it anticipates to have much closer working relationship with relevant government departments and major service operators there.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the Period, the Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code throughout the Period and all the Directors confirmed that they have fully complied with the required standard set out in the Model Code during the Period.

CODE ON CORPORATE GOVERNANCE

In light of various amendments to the Listing Rules, particularly Appendix 14 thereto, which became effective on 1 January 2009, on 24 April 2009, the Company adopted the code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Listing Rules with retrospective effect from 1 January 2009. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

During the Period, the Company has fully complied with the requirements under the CG Code except for the deviation from Code Provision A.2.1 of the CG Code. The Company had deviated from the Code Provision A.2.1 of CG Code as the roles of chairman and chief executive officer of the Company were not separate. With effect on 19 May 2008, Mr. Wong Chau Chi ("Mr. Wong") had been re-designated as the chairman of the Company and Mr. Wong also remains as the chief executive officer of the Company. According to the Code Provision A.2.1 of the CG Code, the roles of a chairman and a chief executive officer should be separate and should not be performed by the same individual. Given Mr. Wong has had extensive experience in the business of the Group and has performed satisfactorily since his joining of the Company in year 2007, particularly in soliciting for possible new business opportunities and deducing the overall strategic plan for the future development of the Company, the Board considers that it would benefit the Group if Mr. Wong is also in charge of overseeing the Company's operations as its chairman. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will regularly review the effectiveness of this arrangement.

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

On 2 March 2010, the Board has re-designated Mr. Shan Li from non-executive Director to an independent non-executive Director and he was also appointed as the chairman of the audit committee ("Audit Committee") of the Company with effect from the same date.

Since 2 March 2010, the Company has complied with the provisions of Rule 3.10(1) and 3.10(2) of the Listing Rules that sufficient number of independent non-executive Directors have been appointed and that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

Furthermore, in compliance with Rule 3.21 of the Listing Rules, the Audit Committee was established by the Company on 5 July 2005 and, in light of the amendments to the Listing Rules (in particular Appendix 14 thereto) will effect from 1 January 2009, on 24 April 2009, the Audit Committee adopted new written terms of reference with retrospective effect from 1 January 2009. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls.

Since Mr. Shan Li was appointed as the chairman of the Audit Committee on 2 March 2010, the Company has complied with the provision of Rule 3.21 of the Listing Rules that the Audit Committee comprises three members and one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2). Moreover, the majority of the Audit Committee is independent non-executive Director and the chairman of the Audit Committee is an independent non-executive Director.

The audit committee of the Company comprises Mr. Shan Li, and Mr. Yu Kam Kee Lawrence, being independent non-executive Directors and Mr. Chou Tsan-Hsiung, a non-executive Director. Currently, Mr. Shan Li is the chairman of the Audit Committee.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed, with the management, the accounting principles and policies, audit, internal controls and financial reporting adopted by the Group, and the unaudited interim financial information for the Period and recommended its adoption by the Board. In addition, the Company's auditor, Deloitte Touche Tohmatsu has reviewed the unaudited interim financial information for the Period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

EXTRACT FROM THE REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY THE COMPANY'S INDEPENDENT AUDITOR:

"Basis for qualified conclusion

(a) **Impairment of property, plant and equipment**

As set out in the condensed consolidated statement of comprehensive income, the Group incurred a loss of US$17,385,316 for the six months ended 30 June 2009. In addition, the production activities of certain of the Group's facilities were suspended during that period. Furthermore, the Group entered into a conditional sale and purchase agreement on 30 July 2009 to dispose of certain property, plant and equipment used for the production of flexible printed circuit boards and flexible printed circuit boards assembly (the "Transaction") at a significant loss subsequent to 30 June 2009. These factors, in our opinion, constituted indicators of impairment of the property, plant and equipment. However, no impairment loss was recognised for the six months ended 30 June 2009. We were unable to perform satisfactory procedures to satisfy ourselves that the recoverable amounts of the property, plant and equipment exceeded its carrying amounts as at 30 June 2009 and whether (i) the potential loss arising from the Transaction should be recognised during the six months ended 30 June 2009; and (ii) any additional impairment loss should be recognised during the six months ended 30 June 2009 in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" issued by the HKICPA. Our report on the interim financial information for the six months ended 30 June 2009 was qualified accordingly. Any adjustments found to be necessary would affect the Group's loss for the six months ended 30 June 2009.

(b) **Fair value and carrying amounts on convertible loan notes**

As detailed in note 13 to the interim financial information, during the year ended 31 December 2009, convertible loan notes with principal amounts of HK$20,999,910, (equivalent to US$2,709,665) were converted into 719,175,000 ordinary shares in the share capital of the Company.The fair values of the liability component of convertible loan notes and conversion option derivative were determined on initial recognition by the directors of the Company. In addition, the carrying amount of the conversion option derivative at 30 June 2009 and the relevant dates of conversion of the convertible loan notes were also determined by the directors of the Company. However, we were unable to obtain sufficient evidence to satisfy ourselves as to whether the valuation methodology and the assumptions adopted by the directors of the Company in these valuations of the liability component of convertible loan notes and conversion option derivative on initial recognition and the valuation of the conversion option derivative at the relevant dates of conversion were appropriate. There were no other alternative procedures that we could carry out to satisfy ourselves as to whether the liability component of convertible loan notes and the conversion option derivative are fairly stated on initial recognition and at the relevant dates of conversion of the convertible loan notes in accordance with the requirements of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" issued by the HKICPA. Our reports on the interim financial information for the six months ended 30 June 2009 and consolidated financial statements for the year ended 31 December 2009 were qualified accordingly. Any adjustments found to be necessary may have an effect on the Group's loss for the six months ended 30 June 2009 and the related disclosures thereof in the condensed consolidated financial statements.

Qualified conclusion arising from limitation of audit scope

Except for the effect of such adjustments, if any, to the loss for the six months ended 30 June 2009, which might have been determined to be necessary had we been able to obtain sufficient information concerning the matters as described in the basis of qualified conclusion paragraphs, based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Emphasis of matter

Without further qualifying our conclusion, we draw attention to note 1 to the interim financial information which indicates that the Group incurred a loss of US$7,091,752 during the six months ended 30 June 2010 and as of that date, the Group's liabilities exceeded its assets by US$5,110,721. As further detailed in note 1 to the condensed consolidated financial statements, the Group has identified measures to improve its financial position, certain of which have not yet been implemented. The Group's ability to continue as a going concern is dependent on the successful implementation of these measures. These conditions therefore indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern."

By Order of the Board
CMMB Vision Holdings Limited
Wong Chau Chi
Chairman

Hong Kong, 27 August 2010

As at the date of announcement, the Board comprises one executive Director, namely Mr. WONG Chau Chi; four non-executive Directors, namely Mr. CHOU Tsan-Hsiung, Mr. YANG Yi, Dr. LI Jun and Dr. Hui LIU; and three independent non-executive Directors, namely Mr. WANG Wei-Lin, Mr. YU Kam Kee Lawrence BBS, MBE, JP and Mr. Shan LI.