CMMB VISION HOLDINGS LIMITED
中國移動多媒體廣播控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 471)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

The board (the "Board") of directors (the "Directors") of CMMB Vision 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 2012 (the "Period") together with the comparative figures of 2011 as follows:-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2012

	NOTES	Six months ended 30 June 2012 US$ (unaudited)	2011 US$ (unaudited)
Continuing operations			
Revenue		7,029	—
Other income (loss)		43	(4,260)
Administrative expenses		(696,569)	(508,077)
Other expenses		(316,080)	(41,622)
Finance costs		(1)	(73)
Loss for the period from continuing operations	5	(1,005,578)	(554,032)
Discontinued operations			
Loss for the period from discontinued operations	6	—	(5,848,328)
Loss for the period		(1,005,578)	(6,402,360)
Other comprehensive expense			
Exchange differences arising on translation		(1,425)	(538,490)
Total comprehensive expense for the period		(1,007,003)	(6,940,850)
Loss for the period attributable to owners of the Company:			
- from continuing operations		(975,661)	(554,032)
- from discontinued operations		—	(5,848,328)
Loss for the period attributable to owners of the Company		(975,661)	(6,402,360)
Loss for the period attributable to non-controlling interests:			
- from continuing operations		(29,917)	—
		(1,005,578)	(6,402,360)

	NOTES	Six months ended 30 June 2012 US$ (unaudited)	2011 US$ (unaudited)
Total comprehensive expense attributable to:			
- Owners of the Company		(977,086)	(6,940,850)
- Non-controlling interests		(29,917)	—
Total comprehensive expense for the period		(1,007,003)	(6,940,850)
		US cents	*US cents*
Loss per share	8		
From continuing and discontinued operations			
- Basic and diluted		(0.02)	(0.19)
From continuing operations			
- Basic and diluted		(0.02)	(0.02)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012

	NOTES	**30 June 2012** *US$* *(unaudited)*	**31 December 2011** *US$* *(audited)*
NON-CURRENT ASSETS			
Property, plant and equipment		26,054	35,061
Intangible assets		1,419,345	1,504,506
Interests in associates		—	—
		1,445,399	1,539,567
CURRENT ASSETS			
Trade and other receivables and prepayments	9	2,042,042	1,173,401
Amount due from a related company		363,088	—
Bank balances and cash		541,108	315,813
		2,946,238	1,489,214
CURRENT LIABILITIES			
Trade and other payables	10	3,504,941	1,216,839
Amounts due to related companies		470,786	389,029
Amount due to a director		375,806	375,806
		4,351,533	1,981,674
NET CURRENT LIABILITIES		(1,405,295)	(492,460)
		40,104	1,047,107
CAPITAL AND RESERVES			
Share capital		5,804,157	5,804,157
Share premium and reserves		(5,910,713)	(4,933,627)
Equity attributable to owners of the Company		(106,556)	870,530
Non-controlling interests		146,660	176,577
TOTAL EQUITY		40,104	1,047,107

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as 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").

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 the fact that the Group incurred a loss of US$1,005,578 for the six month ended 30 June 2012 and the Group's current liabilities exceeded its current assets by US$1,405,295 as at 30 June 2012. 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 the measures which include, but are not limited to, as the following:

(a) Upon completion of the acquisition of CMMB International Limited on 25 October 2011, the Group obtained the exclusive international development and licensing rights of China Mobile Multimedia Broadcasting ("CMMB") technology granted by 北京泰美世紀科技有限公司 ("TiMi Technologies Co., Ltd."), a company established in the People's Republic of China (the "PRC") under the Academy of Broadcasting Science under the State Administration of Radio, Film and Television of the PRC (the "SARFT"). The Group will provide turnkey solutions to develop and promote CMMB technology and business platform in markets outside of the PRC and participate in service operations through partnerships in overseas markets to build a global CMMB franchise. As set out in the announcement of the Company dated 20 February 2012, in collaboration with TiMi Technologies Co., Ltd., the Group has successfully conducted the World's first-ever trial of 6MHz-based CMMB mobile broadcasting. The trial was carried out in Richmond, Virginia, the United States of America ("USA"), which has Flex Use permission from the Federal Communication Commission.

(b) The Group entered into a conditional sale and purchase agreement dated 22 November 2011 to acquire 51% of the issued share capital of CMMB Vision (USA) Inc. ("CMMB Vision (USA)") from Chi Capital Holdings Limited, a shareholder of the Company which is controlled by Mr. Wong Chau Chi, Charles, a director and the ultimate shareholder of a shareholder of the Company ("Mr. Wong Chau Chi, Charles"), as detailed in a circular issued by the Company dated 17 August 2012. The Company will settle the acquisition through issue of shares and convertible bonds in order to minimise its capital cost. The acquisition will give the Group a right to use a digital terrestrial television platform in New York, the United States of America (the "USA") with four Ultra High Frequency ("UHF") television stations totalling 24 MHz in spectrum bandwidth capable of broadcasting 24 digital channels which can be used for developing CMMB network or traditional terrestrial free-to-air boardcast television ("TV") network, and a complementing 6 MHz UHF spectrum network in Richmond, Virginia in the USA. After the completion of the acquisition, the Group will develop a trial network for CMMB mobile video and data delivery service, starting with Richmond, Virginia in the USA and then commercial trial network in New York, through partnerships with USA operators and Chinese technology providers. The directors of the Company expect that the acquisition will be completed in September 2012.

(c) In addition, CMMB Vision (USA), through its subsidiary, CMMB America Inc. ("CMMB America"), signed the TV channel cooperation agreement with China Central Television ("CCTV") to jointly operate three CCTV TV channels in New York. CCTV agreed to pay CMMB America an annual fee per year up to 31 December 2014. As set out in the announcement of the Company dated 21 February 2012, the channels will be aired via CMMB Vision (USA)'s New York public free-to-air TV channels and this cooperation enabled for the first time for CCTV to broadcast programs in New York via public TV network. Both CMMB Vision (USA) and CCTV look forward to deepening cooperation in multiple levels in the US market, and eventually be able to deliver programs across converged cable, Internet, and mobile multimedia network to attain maximum and ubiquitous coverage. Upon completion of the proposed acquisition of CMMB (USA), the directors of the Company anticipate that the Group's future cash flow will be improved as it will incorporate the positive cash flows generated from the operating activities of CMMB Vision (USA).

(d) During the current interim period, the Group received deposits of US$1,651,613 from certain consultants to exercise share options granted to them. As at 30 June 2012, the deposits received was included in other payables and subsequently settled through issues of shares in August 2012. In addition, the Group also has plans to further issue new shares to raise additional funds to improve its liquidity position.

(e) Chi Capital Holdings Limited has agreed to provide financial support to enable the Group to meet its financial obligation as they fall due in the foreseeable future. Also, the related companies and the director agreed not to demand repayment of advance to the Group of US$470,786 and US$375,806 respectively until the Group is in a financial position to repay the amounts.

Based on the aforesaid factors, the directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future. 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.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

- amendments to HKFRS 7 "Financial Instruments: Disclosures - Transfers of Financial Assets"; and

- amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets".

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segments:

Six months ended 30 June 2012

Continuing operations	**CMMB business**	**Trading business**	**Total**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
	US$	*US$*	*US$*
Segment revenue	—	7,029	7,029
Segment (loss) profit	(316,080)	981	(315,099)
Unallocated income			43
Unallocated expenses			(690,522)
Loss for the period			(1,005,578)

Six months ended 30 June 2011

Continuing operations	**CMMB business**
	(Unaudited)
	US$
Segment revenue	—
Segment loss	(32,589)
Unallocated income	55
Unallocated expenses	(521,498)
Loss for the period	(554,032)

4. TAXATION

No provision for Hong Kong Profits Tax and Taiwan Income Tax has been made as the Group has no assessable profit which neither arises in, nor derived from Hong Kong and Taiwan for both periods.

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.

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	
	2012	**2011**
	US$	*US$*
	(unaudited)	*(unaudited)*
Depreciation of property, plant and equipment	11,609	2,490
Amortisation of intangible assets included in other expenses	85,161	—
Legal and professional fee included in others expenses	230,919	41,622
Interest on bank overdrafts wholly repayable within five years	1	73
Bank interest income	(13)	(40)

Note: The amounts represented legal and professional fee payable to consultants, advisors and other professional parties for development and acquisition of new business.

6. DISCONTINUED OPERATIONS

On 30 March 2011, the Company entered into a sale and purchase agreement in connection with the disposal of the entire interest in Global Technology International Limited ("GTI") and its subsidiaries at a consideration of HK$1,000 (equivalent to US$129) to a related company which is beneficially owned by Mr. Wong Chau Chi, Charles. Accordingly, the Group discontinued its manufacturing of PCB operations.

The results of the discontinued operations for the six months ended 30 June 2011, which have been included in the condensed consolidated statement of comprehensive income, were as follows:

	US$ *(unaudited)*
Revenue	1,247,000
Cost of sales	(4,202,289)
Other income	202,688
Distribution and selling expenses	(96,900)
Administrative expenses	(1,447,054)
Impairment loss on trade and other receivables	(823,432)
Gain on disposal on property, plant and equipment	202,470
Finance costs	(930,811)
Loss for the period	(5,848,328)

Loss for the period from discontinued operations including:

	US$ *(unaudited)*
Depreciation of property, plant and equipment	1,065,228
Depreciation of investment property	44,986
Interest on bank and other borrowings wholly repayable within five years	930,811
Release of prepaid lease payments	5,094
Write-down of inventories	92,690
Bank interest income	(2,381)

For the six months ended 30 June 2011, the discontinued operations paid US$2,427,107 in respect of the Group's operating activities, paid US$20,174 in respect of investing activities and received US$392,493 in respect of financing activities.

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	
	2012	**2011**
	US$	*US$*
	(unaudited)	*(unaudited)*
Loss for the period for the purposes of basic and diluted loss per share	(975,661)	(6,402,360)
Number of ordinary shares for the purposes of basic and diluted loss per share	4,498,222,000	3,438,144,000

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:

	Six months ended 30 June	
	2012	**2011**
	US$	*US$*
	(unaudited)	*(unaudited)*
Loss for the period attributable to owners of the Company	(975,661)	(6,402,360)
Less: loss for the period from discontinued operations	—	5,848,328
Loss for the purposes of basic and diluted loss per share from continuing operations	(975,661)	(554,032)

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

For both periods, the computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise of share options would result in decrease in loss per share.

From discontinued operations

For the six months ended 30 June 2011, basic and diluted loss per share from the discontinued operations was US$0.17 per share, based on the loss for the period from the discontinued operations of US$5,848,328 and the denominators detailed above for both basic and diluted loss per share.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group generally allows an average credit period ranged 90 days to its trade customers. The following is an analysis of trade receivables by age, presented based on the invoice date at the end of the reporting period.

	30 June 2012 *US$* *(unaudited)*	**31 December 2011** *US$* *(audited)*
0 - 30 days	479,333	—
31 - 60 days	454,916	—
61 - 90 days	479,933	—
Over 90 days	462,432	—
	1,876,614	—

10. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date at the end of the reporting period.

	30 June 2012 *US$* *(unaudited)*	**31 December 2011** *US$* *(audited)*
0 - 30 days	420,077	—
31 - 60 days	429,925	—
61 - 90 days	473,923	—
Over 90 days	257,348	—
	1,581,273	—

Extract from the report on review of interim financial information by the Company's independent auditor:

"Basis for Qualified Conclusion on the Condensed Consolidated Financial Statements for the Six months Ended 30 June 2011

Valuation of forward contract as at 30 June 2011

The Group entered into an equity transfer agreement on 2 September 2010 pursuant to which the Company (or its nominee) acquired 30% equity interest in 北京富學傳媒文化有限公司 and 30% equity interest in 北京德神傳動廣告有限責任公司 (the "Transaction"). The agreement constituted a forward contract to acquire investments in associates within the scope of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" issued by the HKICPA which requires that it is accounted for at fair value on initial recognition and at the end of each reporting period. However, as further detailed in note 11 to the condensed consolidated financial statements, in the absence of a valuation as at 30 June 2011, we were unable to satisfy ourselves as to the fair value of the forward contract as at 30 June 2011 and its impact on the condensed consolidated financial statements. Any adjustments found to be necessary would affect the Group's loss for the six months ended 30 June 2011. This caused us to qualify our conclusion on the condensed consolidated financial statements for the six months ended 30 June 2011.

Qualified Conclusion Arising from Limitation of Review Scope on the Corresponding Figures for the Six months Ended 30 June 2011

Based on our review, except for the effect on the corresponding figures for the six months ended 30 June 2011 of such adjustments, if any, which might have been determined to be necessary had we been able to obtain sufficient information concerning the matter as described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the condensed consolidated financial statement are not prepared, in all material respects, in accordance with HKAS 34.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to note 1 to the condensed consolidated financial statements which indicates that the Group incurred a loss of US$1,005,578 for the six months ended 30 June 2012 and as at that date, the Group's current liabilities exceeded its current assets by US$1,405,295. The ability of the Group to continue as a going concern is dependent on the Group's ability to successfully implement the measures and fund raising as set out in note 1 to the condensed consolidated financial statements. The condensed consolidated financial statements do not include any adjustments that would result from a failure to implement these measures and obtain such funding."

REVIEW OF OPERATIONS/BUSINESS

The principal activity of the Company is investment holding whilst its subsidiaries are mainly engaged in agency service relating to procurement and distribution of printed circuit boards materials and generate agency income.

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.

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$1.0 million as compared to loss for the period approximately US$6.4 million, representing a decrease of approximately 84.4%. Loss per share was approximately US0.02 cents (six months ended 30 June 2011: approximately US0.19 cents) and net assets per share of the Company was approximately US0.0009 cents (31 December 2011: approximately US0.0233 cents).

Revenue

For the Period, the Group recorded a revenue of approximately US$7,000 (six months ended 30 June 2011: Nil).

Operating expenses

During the Period, the Group's administrative expenses increased by 37.1% to approximately US$0.7 million (six months ended 30 June 2011: approximately US$0.5 million).

Other expenses

Other expenses represent amortisation of intangible assets and legal and professional fee.

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 2012, the Group had shareholders' surplus of approximately US$40,000. Current assets amounted to approximately US$2.9 million. It mainly comprises bank balances and cash of approximately US$0.5 million and trade and other receivables of approximately US$2.0 million. Current liabilities amounted to approximately US$4.4 million. It mainly comprises trade and other payables of approximately US$3.5 million.

As at 30 June 2012, the Group's current ratio was 0.7 (31 December 2011: 0.8) and the gearing ratio (a ratio of total loans to total assets) was Nil (31 December 2011: Nil).

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 30 (six months ended 30 June 2011: approximately 100), and the Group's staff costs amount to approximately US$244,000 (six months ended 30 June 2011: approximately US$464,000). The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice. During the Period, the Company has not granted any share options to Directors and employees of the Group (six months ended 30 June 2011: Nil) under the share option scheme of the Company adopted on 5 July 2005.

MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENT

On 22 November 2011, the Company entered into a share purchase agreement (the "Share Purchase Agreement") with Chi Capital Holdings Limited ("Chi Capital"), a company wholly-owned by Mr. Wong Chau Chi, the chief executive officer of the Group, an executive director of the Company and the chairman of the Board. Pursuant to the Share Purchase Agreement, the Company has conditionally agreed to purchase, and Chi Capital has conditionally agreed to sell, 51% of the equity interest of CMMB Vision (USA) Inc. (the "Acquisition"). The consideration for the Acquisition is valued at HK$95,182,500.

On 30 May 2012, the Company and Chi Capital entered into a supplemental agreement to the Share Purchase Agreement to amend the consideration for the Acquisition as set out in the Share Purchase Agreement. Pursuant to such supplemental agreement, the consideration for the Acquisition is valued at HK$95,182,500, which will consist of a combination of 1,496,875,887 new shares of the Company (the "Share(s)") to be issued by the Company to Chi Capital as consideration for the Acquisition pursuant to the Share Purchase Agreement (the "Consideration Shares") and the notes with HK$45,785,596 in nominal value to be issued by the Company to Chi Capital as consideration for the Acquisition pursuant to the Share Purchase Agreement, convertible into the Shares at HK$0.033 per Share for a total of 1,387,442,303 new Shares (the "Convertible Notes").

On 17 August 2012, the Company and Chi Capital entered into a supplemental agreement to the Share Purchase Agreement. Pursuant to this supplemental agreement, the Company and Chi Capital agreed to supplement following terms to the Convertible Notes:

Conversion Restrictions:

Holders of the Convertible Notes shall not be entitled to exercise the right to convert any part of the outstanding principal amount of the Convertible Notes into new Shares if such conversion will cause (i) the public float of the Company to fall below the minimum public float requirement (the "Minimum Public Float") under the Rule 8.08 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong (the "Stock Exchange") or (ii) the aggregate shareholding interest to be held by the such holder(s) of the Convertible Notes in the Company upon such conversion, together with the shareholding interest in the Company held by parties acting in concert with it (the "Aggregate Beneficial Interest"), to become equal to or exceed 30% of the total Shares in issue or any other threshold which will trigger the obligation on the part of the holder of the Convertible Notes to make a mandatory general offer pursuant to the Hong Kong Codes on Takeovers and Mergers (the "Conversion Threshold") following such conversion.

If:

(i) the principal amount specified in the conversion notice given by holder(s) of the Convertible Notes to be converted into new Shares will effectively cause the public float of the Company to fall below the Minimum Public Float; or

(ii) the Aggregate Beneficial Interest shall be equal to or exceed the Conversion Threshold, the Company shall only be obliged to convert such principal amount of the Convertible Notes to the extent that such conversion will not result in (i) the public float of the Company to fall below the Minimum Public Float, or (ii) the Aggregate Beneficial Interest becoming equal to or exceeding the Conversion Threshold.

Transfer Restriction:

Other than transfers to a wholly-owned subsidiary of the holder of the Convertible Notes, i.e. Chi Capital, the Convertible Notes may not be assigned or transferred without the prior written consent of the Company, subject to compliance of the conditions of the Convertible Notes and further subject to the conditions, approvals, requirements and any other provisions of or under (i) the Stock Exchange (and any other stock exchange on which the Shares may be listed at the relevant time) or their rules and regulations; (ii) the approval for listing in respect of the Conversion Shares; and (iii) all applicable laws and regulations.

Save as disclosed above, the Group did not have any material acquisition or disposals of subsidiaries or associates.

CHARGE ON ASSETS

As at 30 June 2012, neither the Group nor the Company pledges any properties and assets (31 December 2011: Nil).

CONTINGENT LIABILITIES

As at 30 June 2012, neither the Group nor the Company has any significant contingent liabilities (31 December 2011: Nil).

PROSPECTS

The Group is currently transforming from a printed circuit board maker to a mobile multimedia technology and service provider through a series of restructuring, divestments and acquisitions, which are in their final phases in making the Group a dedicated operator in delivering mobile and wireless video and Internet data services.

The Group is developing to be a leading next generation mobile multimedia service provider. It addresses the rapidly growing demand for mobile and wireless video and internet content downloads with a very low cost and efficient solution based on the China-developed CMMB multicast technology. Consumers with untethered CMMB-enabled devices such as handsets, netbooks, MP4s, dongles, GPS, and LED panels can receive virtually unlimited and instant mobile video and Internet downloads anytime anywhere deliverable through a ubiquitous terrestrial and satellite network.

Developed by the SARFT of the People's Republic of China ("PRC") with collaboration from the United States of America, CMMB is one of the most advanced digital broadcasting (multicast) technologies invented in the 21 Century that enables mobile television ("TV") delivery and data delivery through Internet by the Internet Protocol ("IP data"). It is Orthogonal frequency-division multiplexing ("OFDM") based, and can readily interact with other OFDM technologies such as third generation mobile technology 3G, fourth generation mobile technology ("4G") based on Institute of Electrical and Electronics Engineers standards 802.16(e) ("WiMax") and 4G Long Term Evolution ("4G LTE"). The key feature of CMMB is that it can deliver streaming live mobile video and push-IP data in a massive quantity and instant speed simultaneously to an unlimited number of mobile users anytime anywhere at very low cost. CMMB has been widely deployed over 330 Chinese cities with the support of world's largest mobile network and supply-chain ecosystem.

The Group's main business will apply the CMMB technology to address the growing bottleneck caused by video and Internet data content distribution, which can no longer be accommodated by the conventional unicast — based mobile communication technologies. In China, its goal is to become a leading CMMB service provider. Globally, its goal is to promote and develop CMMB by deploying and operating CMMB-based networks and services in different countries and create a global multimedia franchise.

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 AND THE LISTING RULES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Listing Rules. 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 and the Listing Rules except for the deviation from the following code provisions of CG Code and rule of the Listing Rules:

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.

Code Provision A.5 of the CG Code. The Company had deviated from the Code Provision A.5 of CG Code as the Company did not establish a nomination committee which is chaired by the chairman of the Board or an independent non-executive Director and comprises a majority of independent non-executive Directors.

Code Provision B.1.3 of the CG Code. The Company had deviated from the Code Provision B.1.3 of CG Code as the remuneration committee of the Board did not make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange's website and the Company's website. Since 31 August 2012, the terms of reference of the remuneration committee of the Board, explaining its role and the authority delegated to it by the Board are available on the Stock Exchange's website and the Company's website.

Code Provision C.3.4 of the CG Code. The Company had deviated from the Code Provision C.3.4 of CG Code as the audit committee of the Board did not make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange's website and the Company's website. Since 31 August 2012, the terms of reference of the audit committee of the Board, explaining its role and the authority delegated to it by the Board are available on the Stock Exchange's website and the Company's website.

Rule 13.90 of the Listing Rules. The Company had deviated from the Rule 13.90 of the Listing Rules as the Company did not publish on the Company's own website and on the Stock Exchange's website, an up to date consolidated version of its memorandum and articles of association or equivalent constitutional document. Since 31 August 2012, an up to date consolidated version of the Company's memorandum and articles of association is available on the Company's own website and on the Stock Exchange's website.

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

On 7 June 2012, the Listing Committee of the Stock Exchange censured (among other matters): (i) Zhejiang Glass Company Limited (Stock Code: 739) for breaching Rules 13.09(1), 13.17, 13.46(2), 13.48(1), 13.49(1), 13.49(6), 14A.04 and 14A.63 of the Listing Rules; and (ii) Dr. Li Jun for his respective breaches of Director's Undertaking as an independent non-executive director of Zhejiang Glass Company Limited. Dr. Li Jun is also an independent non-executive director of the Company.

The Audit Committee (the "Audit Committee") was established by the Company on 5 July 2005 and it has adopted new written terms in order to comply with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls. The Audit Committee comprises Mr. Shan Li and Dr. Li Jun, 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.

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

Hong Kong, 31 August 2012

As at the date of announcement, the Board comprises two executive Directors, namely Mr. WONG Chau Chi and Dr. Hui LIU; two non-executive Directors, namely Mr. CHOU Tsan-Hsiung and Mr. YANG Yi; and three independent non-executive Directors, namely Mr. WANG Wei-Lin, Mr. Shan LI and Dr. LI Jun.