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 2016

The board (the "Board") of 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 2016 (the "Period") together with the comparative figures of 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016

		six months ended 30 June	
		2016	2015
	NOTES	***US$'000***	*US$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**2,885**	5,189
Cost of sales		**(2,406)**	(4,965)
Gross profit		**479**	224
Interest income		**2**	–
Administrative expenses		**(1,010)**	(627)
Market development and promotion expenses		**(3,759)**	(2,648)
Other expenses		**(406)**	(240)
Finance costs	*4*	**(1,012)**	(500)
Loss before tax		**(5,706)**	(3,791)
Income tax expense	*5*	**(30)**	(71)
Loss for the period	*6*	**(5,736)**	(3,862)
Other comprehensive expense			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		**(52)**	(6)
Total comprehensive expense for the period		**(5,788)**	(3,868)
(Loss) profit for the period attributable to:			
– Owners of the Company		**(5,852)**	(3,850)
– Non-controlling interests		**116**	(12)
Loss for the period		**(5,736)**	(3,862)

		six months ended 30 June	
		2016	2015
	NOTES	***US$'000***	*US$'000*
		(unaudited)	(unaudited)
Total comprehensive (expense) income attributable to:			
– Owners of the Company		**(5,904)**	(3,856)
– Non-controlling interests		**116**	(12)
Total comprehensive expense for the period		**(5,788)**	(3,868)
		US cents	*US cents*
			(Restated)
Loss per share	*8*		
– Basic and diluted		**(0.34)**	(0.38)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	NOTES	**30 June 2016 *US$'000* (unaudited)**	31 December 2015 *US$'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**924**	752
Intangible assets		**106,588**	106,588
Deposits for acquisitions		**68,836**	26,012
Financial assets at fair value through profit or loss		**2,118**	2,118
		178,466	135,470
CURRENT ASSETS			
Trade and other receivables	*9*	**3,811**	2,495
Amounts due from related companies		**2,162**	1,331
Bank balances and cash		**40,889**	10,412
		46,862	14,238
CURRENT LIABILITIES			
Trade and other payables	*10*	**1,806**	1,566
Tax payable		**35**	35
		1,841	1,601
NET CURRENT ASSETS		**45,021**	12,637
TOTAL ASSETS LESS CURRENT LIABILITIES		**223,487**	148,107
NON-CURRENT LIABILITIES			
Convertible Notes		**19,634**	18,622
NET ASSETS		**203,853**	129,485
CAPITAL AND RESERVES			
Share capital		**241,863**	80,673
Share premium and reserves		**(65,950)**	20,988
Equity attributable to owners of the Company		**175,913**	101,661
Non-controlling interests		**27,940**	27,824
TOTAL EQUITY		**203,853**	129,485

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 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").

The condensed consolidated financial statements have been prepared on a going concern basis. In preparing the condensed consolidated financial statements, the Directors of the Company (the "Directors") have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a loss of US$5,736,000 for the six-month ended 30 June 2016 and the Group's net current assets of US$45,021,000 as at 30 June 2016. In the opinion of the Directors, the Group is 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) In April 2016, the Group has completed rights issue on the basis of one rights share for every one existing share at HK$0.1 per rights share ("Rights Issue") and one bonus share for every one rights share taken up under the Rights Issue ("Bonus Shares"), to raise approximately HK$625,320,000 (equivalent to US$80,595,000) before expenses. The Group plans to apply the proceeds from the Rights Issue for the major capital expenditure for the deployment in China with details as set out in the prospectus of the Company dated 23 March 2016.

Based on the aforesaid factors, the Directors 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 except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015 ("2015 Annual Report").

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") and interpretations issued by the HKICPA that are mandatorily effective for the current interim period.

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

3. SEGMENT INFORMATION

The Group's reportable and operating segments under HKFRS 8 are as follows:

1. CMMB business – Provision of transmission and broadcasting of television ("TV") programs.

2. Trading business – Trading of printed circuit board ("PCB") materials.

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

Six months ended 30 June 2016

	CMMB business	Trading business	Total
	US$'000	*US$'000*	*US$'000*
	(unaudited)	(unaudited)	(unaudited)
Segment revenue	**951**	**1,934**	**2,885**
Segment loss	**(822)**	**(92)**	**(914)**
Interest income			**–**
Corporate legal and professional fees			**(332)**
Corporate consultancy service fees			**(2,374)**
Finance costs			**(1,012)**
Unallocated expenses			**(1,104)**
Loss for the period			**(5,736)**

Six months ended 30 June 2015

	CMMB business *US$'000* (unaudited)	Trading business *US$'000* (unaudited)	Total *US$'000* (unaudited)
Segment revenue	295	4,894	5,189
Segment (loss) profit	(25)	152	127
Interest income			–
Corporate legal and professional fees			(236)
Corporate consultancy service fees			(2,112)
Finance costs			(500)
Unallocated expenses			(1,141)
Loss for the period			(3,862)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) profit from each segment without allocation of interest income, central administration expenses, corporate legal and professional fees, corporate consultancy services fees, directors' remuneration and corporate finance costs. This is the measure reported to the chief operating decision make for the purpose of resource allocation and performance assessment.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	Six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Transmission and broadcasting of television programs	**951**	295
Trading of PCB Materials	**1,934**	4,894
	2,885	5,189

4. FINANCE COSTS

	Six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Effective interest expense on convertible notes	**1,011**	500
Bank interest expense	**1**	–
	1,012	500

5. TAXATION

	Six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Current tax:		
Withholding tax on foreign income	**30**	30
Taiwan Income Tax	**–**	41
	30	71

Withholding tax on foreign income represented PRC withholding tax on income from a PRC customer at 10% of the gross invoice amount.

Hong Kong Profits Tax is calculated at 16.5% for both periods. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in Hong Kong for both periods.

Taiwan Income Tax is calculated at a prevailing rate of 17% for both periods. Provision for Taiwan Income Tax was made as the Group had assessable profit arising in Taiwan for the six months ended 30 June 2015. No provision for Taiwan Income Tax has been made as the Group does not have any assessable profit arising in Taiwan for the six months ended 30 June 2016.

Taxation arising in the United State of America ("USA") is calculated at a prevailing rate of 38% for both periods. No provision for Federal Income Tax and State and Local Income Tax has been made as the Group did not have any assessable profit arising in the USA for both periods.

Under the law of the People's Republic of China (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.

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 June	
	2016	2015
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	**103**	10
Included in other expenses:		
Legal and professional fees *(Note)*	**332**	236
Exchange loss	**22**	4
Consultancy service fees *(Note)*	**2,491**	2,112
Research and development costs	**939**	–

Note: The amount represents legal and professional fee and consultancy service fees that are paid and payable to consultants, advisors and other professional parties for acquisition of TV stations and spectrum in USA in 2015 and development of new satellite business during the both periods.

7. DIVIDENDS

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

8. LOSS PER SHARE

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	
	2016	2015
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purposes of basic and diluted loss per share	**(5,852)**	(3,850)
		(Restated)
Number of shares		
Number of ordinary shares for the purposes of basic and diluted loss per share	**1,712,251,427**	1,009,083,325

The computation of diluted loss per share dose not assume the exercise of the Company's outstanding share options and the conversion of the convertible notes of the Company as the assumed exercise of the share options and convertible notes for both periods would result in decrease in loss per share.

The weighted average of ordinary shares for the purposes of calculating basic and diluted loss per share for the six months ended 30 June 2015 had been retrospectively adjusted for the effect of bonus element of rights issue and bonus issue completed on 18 April 2016.

9. TRADE AND OTHER RECEIVABLES

The Group generally allows a credit period of 60 to 120 days to its customers of the Trading Business and CMMB Business. There was no trade receivable under CMMB business as at 31 December 2015. The trade receivables are due from four (31 December 2015: three) customers as at 30 June 2016.

The aged analysis of trade receivables, presented based on invoice date at the end of the reporting period, which approximated to the respective revenue recognition dates, are as follows:

	30 June 2016	31 December 2015
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade receivables:		
0 – 30 days	**468**	356
31 – 60 days	**768**	448
61 – 90 days	**542**	41
Over 90 days	**474**	342
	2,252	1,187
Other receivables and deposits	**1,141**	1,146
Prepayments	**418**	162
	3,811	2,495

10. TRADE AND OTHER PAYABLES

The average credit period granted by its suppliers is 60 days.

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

	30 June 2016	31 December 2015
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade payables:		
0 – 90 days	**749**	780
91 – 180 days	**325**	16
Over 180 days	**1**	–
	1,075	796
Accruals	**549**	740
Other payables	**182**	30
	1,806	1,566

11. CAPITAL COMMITMENTS

	30 June 2016	31 December 2015
	US$'000	*US$'000*
	(unaudited)	(audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
Refurbishment of office	**–**	81

12. CONTINGENT LIABILITIES

As at 30 June 2016, the Group and the Company has guaranteed a contingent liabilities of an aggregate amount of US$1,203,000 in respect of an upgrade project undertaken by its equity investment (31 December 2015: US$1,551,000).

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

(i) Save as disclosed in note 38(i) of the 2015 Annual Report, on 29 January 2016, the Group entered into an Equity Transfer Agreement with Global Broadcasting Media Company ("GMG"), pursuant to which the Group will transfer 51% of the equity interest in 國廣中播傳媒技術有限公司 (Global Vision Media Technology Co. Ltd) ("Global Vision", formerly known as 中播（北京）信息技術有限責任公司 (CMMB Information Technology Co., Ltd.)), a wholly-owned PRC subsidiary established on 24 August 2015, at a consideration of RMB1, to GMG according to the terms and subject to the conditions set forth in the Equity Transfer Agreement. The Agreement has effectively formalized Global Vision as a joint venture company between the Company and GMG for operating a satellite-based mobile broadcasting platform, providing unique multimedia services such as mobile video, audio, internet data for mobile consumers and vehicles in PRC. The shares transfer has not been completed as at 30 June 2016.

(ii) On 20 June 2016, an extraordinary general meeting of the Company was held and the resolutions of the reorganization of the share capital of the Company involving reduction of the authorized share capital and issued share capital by reducing the nominal value of each share in issued from HK$1.00 to HK$0.01 and cancelling paid-up capital to the extent of HK$0.99 for each issued share and the sub-division of each authorized and unissued share of HK$1.00 each into 10 unissued share of HK$0.01 each (the "Capital Reorganisation") were approved. The capital reduction amount as a result of the Capital Reorganisation will be transferred to accumulated losses account of the Company.

    The Capital Reorganisation will become effective after the approval from the Grand Court of the Cayman Islands.

14. RECLASSIFICATION OF COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to current period presentation in the condensed consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS/BUSINESS

The principal activity of CMMB Vision Holdings Limited (the "Company") is investment holding whilst its subsidiaries are mainly engaged in provision of China Mobile Multimedia Broadcasting ("CMMB") and trading of printed circuit board material.

After restructuring and reorganization from previous manufacturing and sale of rigid printed circuit boards and rigid printed circuit board assembly in 2011, the Company started its business in provision of CMMB services. The Company is a leading next generation mobile multimedia network and service provider which is potentially market disruptive to providing mobile internet and entertainment services in the coming internet era.

The Company has completed the acquisition of seven UHF spectrum television ("TV") stations in seven top cities in the United States of American ("USA"), including Los Angeles, San Francisco, Dallas, Houston, Atlanta, Miami, and Tampa. The portfolio gives the Company an unique wireless spectrum network to not only deliver free-to-air digital TV programming to a much larger audience coverage with operating efficiencies and revenue opportunities, but also well-position it to deploy a next-generation mobile broadcasting service platform for new media services extended from home to mobile users and vehicles.

The Company deploys CMMB/NGB-W mobile digital broadcasting technology which can converge with other mobile technologies such as 3G, LTE and WiFi to create the groundbreaking interactive mobile broadcasting system. It has a wireless UHF TV network over 8 major cities in the US under preparation for potential deployment of the CMMB-LTE network, and is operating a digital broadcasting service in New York.

FINANCIAL REVIEW

For the six months ended 30 June 2016 ("Period"), the Group recorded loss for the period of US$5,736,000 as compared to US$3,862,000 for the same period in 2015, representing an increase of approximately 49%. Loss per share was US0.34 cents (six months ended 30 June 2015: US0.38 cents, restated) and net assets per share attributable to owners of the Company was US9.4 cents (31 December 2015: US16.3 cents).

Revenue

For the Period, the Group is engaged in provision of transmission and broadcasting of telephone programs and trading of printed circuit board materials with revenue of US$2,885,000 (six months ended 30 June 2015: US$5,189,000). The decrease in revenue of approximately US$2,304,000 or 44% was mainly due to the decrease in trading of printed circuit board materials by US$2,960,000, which is offset by the increase in TV rental income of US$656,000.

Cost of sales

Cost of sales mainly includes costs of goods sold, staff costs and operating lease payments. The decrease in cost of sales of US$2,559,000 or 52% was due to the decrease in costs of goods sold of approximately US$2,680,000 and increase in operating lease payments of approximately US$260,000 for the current period.

Gross profit

Gross profit increased by 114% to US$479,000 (six months ended 30 June 2015: US$224,000), which was arisen from the increase TV rental income from the newly acquired company in July 2015.

Administrative expenses

During the Period, the Group's administrative expenses increased by 61% to US$1,010,000 (six months ended 30 June 2015: US$627,000) which is mainly due to the increase in staff costs, office rent and general administrative expenses incurred for the newly setup offices in Beijing.

Market development and promotion expenses

During the Period, the Group's market development and promotion expenses increased by 42% to US$3,759,000 (six months ended 30 June 2015: US$2,648,000) which is mainly due to the increase in consultancy service fees for business development and travelling expenses for attending business conferences and meetings as well as research and development costs.

Other expenses

Other expenses mainly include corporate legal and professional fee of US$332,000 (six months ended 30 June 2015: US$236,000) for the proposed acquisition of TV stations and spectrum in USA in 2015 and development of new satellite business for both periods.

Finance costs

Finance costs of the Group for the Period amounted to US$1,012,000 (six months ended 30 June 2015: US$500,000) which mainly represents effective interest expense on convertible notes. The Group did not bear any bank and other borrowings during the six months ended 30 June 2016.

INTERIM DIVIDEND

The board ("Board") of directors ("Directors") of the Company does not recommend to declare any interim dividend to the shareholders of the Company for the Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2016, the Group had equity attributable to owners of the Company of US$175,913,000 (31 December 2015: US$101,661,000). Current assets amounted to US$46,862,000 which mainly comprises bank balances and cash of US$40,889,000 and trade and other receivables of US$3,811,000. Current liabilities amounted to US$1,841,000 which mainly comprises trade payables of US$1,075,000.

As at 30 June 2016, the Group's current ratio was 25.4 (31 December 2015: 8.9) and the gearing ratio (a ratio of total loans to total assets) was 8.7% (31 December 2015: 12.4%). Other than convertible notes of US$19,634,000, the Group did not have any bank borrowings as at 30 June 2016 (31 December 2015: Nil)

In April 2016, the Group has completed rights issue on the basis of one rights share for every one existing share at HK$0.1 per rights share and one bonus share for every one rights share taken up under the Rights Issue, to raise approximately HK$625,320,000 (equivalent to US$80,595,000) before expenses. The Group plans to apply the proceeds from the Rights Issue for the major capital expenditure for the deployment in China with details as set out in the prospectus of the Company dated 23 March 2016.

FOREIGN EXCHANGE EXPOSURE

For the Period, most assets, liabilities and transactions of the Group are denominated in US$. The management of the Group believes that foreign exchange risk does not affect the Group, therefore, the Group did not make any 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 40 (six months ended 30 June 2015: approximately 20), and the Group's staff costs amount to US$993,000 (six months ended 30 June 2015: US$546,000). 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, employees and consultants of the Group under the new share option scheme of the Company adopted on 2 December 2015.

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 other than those announced on website of the Stock Exchange of Hong Kong Limited.

CHARGE ON ASSETS

As at 30 June 2016, neither the Group nor the Company pledges any properties and assets (31 December 2015: Nil).

CONTINGENT LIABILITIES

As at 30 June 2016, the Group and the Company has guaranteed a contingent liabilities of an aggregate amount of US$1,203,000 in respect of an upgrade project undertaken by its equity investment (31 December 2015: US$1,551,000).

PROSPECTS

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 State Administration of Press, Publication, Radio, Film, and Television 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

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, except for the deviation from **Code Provision A.2.1 of the CG Code**. The Company had been 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.

AUDIT COMMITTEE

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. Li Shan and Dr. Li Jun, being independent non-executive Directors and Mr. Chou Tsan-Hsiung, a non-executive Director. Currently, Mr. Li Shan is the chairman of the Audit Committee.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed, with the management, the accounting principles and policies, internal controls and financial reporting adopted by the Group, and the unaudited condensed consolidated financial statements for the Period and recommended its adoption by the Board.

The unaudited condensed consolidated financial statements for the Period was approved by the Board on 10 August 2016.

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

Hong Kong, 10 August 2016

As at the date of announcement, the Board comprises two executive Directors, namely Mr. WONG Chau Chi and Dr. LIU Hui; 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. LI Shan and Dr. LI Jun.