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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

HIGHLIGHTS

	Six months ended 30 June			
	2019	2018	Change	Change
	US$'000	US$'000	US$'000	%
	(unaudited)	(unaudited)		
Revenue	**3,317**	2,828	489	17.3%
Gross profit	**1,242**	992	250	25.2%
Loss from operations	**(3,856)**	(3,781)	(75)	2.0%
Share of results of an associate	**(4,689)**	(490)	(4,199)	856.9%
Gain on redemption of convertible notes	**1,639**	1,934	(295)	–15.3%
Gain on disposal of assets classified as held for sale	**–**	42,829	(42,829)	–100.0%
(Loss) profit before tax	**(6,906)**	40,492	(47,398)	–117.1%

	30 June 2019	31 December 2018	Change	Change
	US$'000	US$'000	US$'000	%
	(unaudited)	(audited)		
Total assets	**335,177**	345,732	(10,555)	–3.1%
Total liabilities	**58,933**	59,899	(966)	–1.6%
Net assets	**276,244**	285,833	(9,589)	–3.4%

The Board did not declare the distribution of an interim dividend for the six months ended 30 June 2019.

The board of directors (the "**Board**") 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 2019 (the "**Period**") together with the comparative figures for the corresponding period in 2018.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	NOTES	**US$'000**	US$'000
		(unaudited)	(unaudited)
Revenue	3	**3,317**	2,828
Cost of sales		**(2,075)**	(1,836)
Gross profit		**1,242**	992
Interest income		**1**	1
Administrative expenses		**(1,080)**	(1,054)
Market development and promotion expenses		**(1,028)**	(2,215)
Other expenses		**(193)**	(404)
Finance costs	4	**(2,798)**	(1,101)
Share of results of an associate		**(4,689)**	(490)
Gain on redemption of convertible notes		**1,639**	1,934
Gain on disposal of assets classified as held for sale	6	**–**	42,829
(Loss) profit before tax		**(6,906)**	40,492
Income tax expense	5	**(69)**	–
(Loss) profit for the period	6	**(6,975)**	40,492
Other comprehensive income			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**170**	114
Total comprehensive (expense) income for the period		**(6,805)**	40,606
(Loss) profit for the period attributable to:			
– Owners of the Company		**(7,033)**	40,455
– Non-controlling interests		**58**	37
(Loss) profit for the period		**(6,975)**	40,492
Total comprehensive (expense) income attributable to:			
– Owners of the Company		**(6,863)**	40,569
– Non-controlling interests		**58**	37
Total comprehensive (expense) income for the period		**(6,805)**	40,606

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	NOTES	**US cents**	US cents
		(unaudited)	(unaudited)
(Loss) earnings per share	7		
– Basic		**(0.22)**	1.67
– Diluted		**(0.27)**	1.35

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	NOTES	**30 June 2019 US$'000 (unaudited)**	31 December 2018 US$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**449**	562
Intangible assets		**97,497**	97,497
Interests in an associate	8	**228,292**	232,981
Financial assets at fair value through profit or loss		**1,650**	1,650
		327,888	332,690
CURRENT ASSETS			
Trade and other receivables	9	**1,800**	1,487
Amount due from a related company		**2,768**	9,131
Amount due from an associate		**1,120**	64
Bank balances and cash		**1,601**	2,360
		7,289	13,042
CURRENT LIABILITIES			
Trade and other payables	10	**9,848**	8,009
Tax payable		**291**	222
		10,139	8,231
NET CURRENT (LIABILITIES) ASSETS		**(2,850)**	4,811
TOTAL ASSETS LESS CURRENT LIABILITIES		**325,038**	337,501
NON-CURRENT LIABILITY			
Convertible notes	11	**48,794**	51,668
NET ASSETS		**276,244**	285,833
CAPITAL AND RESERVES			
Share capital	12	**4,050**	3,966
Share premium and reserves		**245,659**	255,390
Equity attributable to owners of the Company		**249,709**	259,356
Non-controlling interests		**26,535**	26,477
TOTAL EQUITY		**276,244**	285,833

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. BASIS OF PREPARATION

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

2. SIGNIFICANT 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 at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods.

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 2019 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018 ("**2018 Annual Report**").

In the current interim period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standard ("**HKFRSs**") issued by the HKICPA that are mandatorily effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

The application of the new and amendments to HKFRSs 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. REVENUE AND 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 2019

	CMMB business US$'000 (unaudited)	**Trading business US$'000 (unaudited)**	**Total US$'000 (unaudited)**
Segment revenue	**1,965**	**1,352**	**3,317**
Segment profit (loss)	**953**	**(39)**	**914**
Market development and promotion expenses	**(1,028)**	**–**	**(1,028)**
Effective interest on convertible notes	**(2,798)**	**–**	**(2,798)**
Share of results of an associate	**(4,689)**	**–**	**(4,689)**
Gain on redemption of convertible notes	**1,639**	**–**	**1,639**
Interest income			**1**
Unallocated expenses			**(1,014)**
Loss for the period			**(6,975)**

Six months ended 30 June 2018

	CMMB business US$'000 (unaudited)	Trading business US$'000 (unaudited)	Total US$'000 (unaudited)
Segment revenue	1,809	1,019	2,828
Segment profit (loss)	720	(2)	718
Market development and promotion expenses	(2,215)	–	(2,215)
Effective interest on convertible notes	(1,099)	–	(1,099)
Share of results of an associate	(490)	–	(490)
Gain on redemption of convertible notes	1,934	–	1,934
Gain on disposal of assets classified as held for sale	42,829	–	42,829
Interest income			1
Unallocated expenses			(1,186)
Profit for the period			40,492

The accounting policies of the operating segments are the same as the Group' s accounting policies. Segment profit (loss) represents the profit (loss) from each segment after tax without allocation of interest income and central administration expenses. This is the measure reported to the executive directors for the purpose of resources 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	
	2019 US$'000 (unaudited)	2018 US$'000 (unaudited)
Transmission and broadcasting of TV programs	**1,965**	1,809
Trading of PCB Materials	**1,352**	1,019
	3,317	2,828

4. FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	US$'000	US$'000
	(unaudited)	(unaudited)
Effective interest expense on convertible notes	**2,798**	1,099
Bank interest expense	**–**	2
	2,798	1,101

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2019	2018
	US$'000	US$'000
	(unaudited)	(unaudited)
Current tax:		
US Income Tax	**69**	–

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2018: 16.5%) on the estimated assessable profits for the period, except for the first HK$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the new two-tiered profits tax rates regime with effect from the year of assessment 2018/2019. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in Hong Kong for both periods. In addition, the directors considered that the two-tiered profits tax rates regime is not applicable to any entity within the Group for the six months ended 30 June 2019.

For the six months ended 30 June 2019, US Income Tax of US$69,000 is calculated at 24% (six months ended 30 June 2018: 24%) on the estimated assessable profits. No provision for US Income Tax was made in six months ended 30 June 2018 as the Group did not have assessable profit in the US.

Taiwan Income Tax is charged at 17% on the estimated assessable profits for both periods. No provision for Taiwan Income Tax has been made as the Group does not have assessable profit arising in Taiwan 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 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 do not have taxable income for both periods.

6. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2019	2018
	US$'000	US$'000
	(unaudited)	(unaudited)
Staff costs, including Directors' remuneration and retirement benefits scheme contributions	**757**	668
Depreciation of property, plant and equipment	**114**	115
Included in other expenses:		
Share-based payment expense	**193**	–
Legal and professional fees	**119**	50
Exchange loss, net	**5**	198
Gain on disposed of asset classified as held for sale (Note)	**–**	42,829

Note: Gain on disposal of asset classified as held by sale represents the difference of fair value of 49% equity interest in Global Vision Media Technology Co. Ltd ("**Global vision**") and its carrying value with details as set out in note 8.

7. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 June	
	2019	2018
	US$'000	US$'000
	(unaudited)	(unaudited)
(Loss) profit		
(Loss) profit for the period attributable to the owners of the Company for the purposes of basic (loss) earnings per share	**(7,033)**	40,455
Effect of dilutive potential ordinary shares:		
– Interest on convertible notes	**114**	1,099
– Gain on redemption of convertible notes	**(1,525)**	(1,934)
(Loss) profit for the period attributable to the owners of the Company for the purposes diluted (loss) earnings per share	**(8,444)**	39,620
Number of shares		
Number of ordinary shares for the purposes of basic (loss) earnings per share	**3,144,031,133**	2,416,856,656
Effect of dilutive potential ordinary shares:		
– Convertible notes	**21,252,486**	521,991,591
Number of ordinary shares for the purposes of diluted (loss) earnings per share	**3,165,283,619**	2,938,848,247

Adjustment has been made to the basic (loss) earnings per share amount for the six months ended 30 June 2019 and 2018 in respect of a dilution because the diluted (loss) earnings per share amount is increased/ decreased when taking convertible notes into account, so the convertible notes have a dilutive effect.

8. INTERESTS IN AN ASSOCIATE

	30 June 2019 US$'000 (unaudited)	31 December 2018 US$'000 (audited)
Initial cost of unlisted investment in an associate	**238,350**	238,350
Share of result of associate	**(10,058)**	(5,369)
	228,292	232,981

Details of the Group's associates as at 30 June 2019 is as follows:

Name of associate	**Country of registration and principal of operation**	**Paid up registration capital**	**Attributable equity interest held by the Group**		**Principal activity**
			Direct	**Indirect**	
Silkwave Holdings Limited	Cayman Islands / Hong Kong	US$5,625	20%	–	Investment holding
Silkwave Asia Limited	Cayman Islands / Hong Kong	US$1,000	–	20%	Investment holding

The Company completed the acquisition of 20% equity interest in Silkwave Holdings Limited ("**Silkwave Holdings**") ("**Acquisition**") and a call option to acquire additional 31% equity interest in Silkwave Holdings ("**Call Option**") on 29 May 2018 ("**Completion**"). Through its wholly-owned subsidiary, Silkwave Holdings indirectly holds a geosynchronous L-band satellite operating platform, including the AsiaStar satellite capacity, its 40MHz spectrum frequency use, orbital slots, the Silkwave-1 satellite under construction and a media service platform with ample international programming ("**Relevant Assets**"), in order to provide multimedia broadcasting and internet-based content delivery services to vehicles and mobile devices in China and Asia Pacific Region.

The consideration for the Acquisition was US$240,000,000, which was satisfied by (i) cash payment of US$94,000,000; (ii) issuance of convertible notes maturing on 28 May 2025 at the initial conversion price of HK$0.4 with a principal amount of US$96,000,000 and (iii) equity contribution of US$50,000,000, being the disposal of the Company's 49% equity interest in Global Vision and transferred into Silkwave Holdings (the "**Disposal**"). The Disposal was also completed on 29 May 2018.

The Call Option represents an option for the Company to acquire additional equity in Silkwave Holdings within the next 7-years since the Completion, resulting in an equity interest of up to 51%. The exercise price of the Call Option of US$500,000,000 is determined assuming that there would not be any early exercise of the Call Option as it will only become effective when Silkwave Holdings generates an Earnings Before Interest, Taxes, Depreciation and Amortisation ("**EBITDA**") of US$200,000,000 based on the audited report in any given year during the 7-years period of the Call Option.

As at the date of Completion, all of the conditions precedent to the sale and purchase agreement dated 31 October 2016 ("**Agreement**") have be satisfied except for condition (iv) the relevant broadcasting licenses and uplink permit or equivalent approval issued by the relevant authority in China has not yet been obtained. To avoid disruption of the business plan, the Company has waived this condition precedent (iv). At the end of the reporting period, the relevant broadcasting licenses, permits and/or approvals have not yet been obtained. The Company has not encountered any significant difficulties or legal or regulatory impediments in obtaining the required licenses, permits and/or approvals.

9. TRADE AND OTHER RECEIVABLES

The Group generally allows credit period between 60 to 120 days to its customers of CMMB Business and Trading Business. The trade receivables are due from a customer under Trading Business (31 December 2018: one) and two customers under CMMB business (31 December 2018: two) as at 30 June 2019.

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

	30 June 2019 US$'000 (unaudited)	31 December 2018 US$'000 (audited)
Trade receivables:		
0 – 30 days	**713**	541
31 – 60 days	**581**	485
61 – 90 days	**352**	331
	1,646	1,357
Other receivables, deposits and prepayment	**154**	130
	1,800	1,487

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 dates, at the end of the reporting period are as follows:

	30 June 2019 US$'000 (unaudited)	31 December 2018 US$'000 (audited)
Trade payables:		
0 – 90 days	**711**	1,328
Accruals	**2,634**	2,642
Other payables	**6,503**	4,039
	9,848	8,009

11. CONVERTIBLE NOTES

As stated in note 8, on 29 May 2018, the Company issued US dollar denominated convertible notes with a principal amount of US$96,000,000 ("**2025 Convertible Notes**") to Chi Capital as part of the consideration for the acquisition of 20% equity interest in Silkwave Holdings. The maturity date of the 2025 Convertible Notes is 28 May 2025 ("**2025 CN Maturity Date**") which is 7 years from the date of issue of the 2025 Convertible Notes. The 2025 Convertible Notes are non-interest bearing and mature on 2025 CN maturity date at the principal amount. The 2025 Convertible Notes are convertible into shares at any time after the issuance up to, but excluding, 5 business days prior to the 2025 CN Maturity Date at the conversion price of HK$0.4 each, subject to anti-dilutive adjustments.

In the current interim period, the Company has redeemed 2021 Convertible Notes and 2025 Convertible Notes in the principal amount of US$5,921,000 and US$2,000,000 at the redemption amount of US$5,921,000 and US$2,000,000 respectively.

The movement of the liability component of the 2021 Convertible Notes and 2025 Convertible Notes for the Period are as follows:

	2021 Convertible Notes US$'000	2025 Convertible Notes US$'000	Total US$'000
At 31 December 2018	4,525	47,143	51,668
Effective interest expenses	114	2,684	2,798
Redemption during the period	(4,639)	(1,033)	(5,672)
At 30 June 2019	**–**	**48,794**	**48,794**

12. SHARE CAPITAL

	Number of shares (unaudited)	Nominal value HK$'000 (unaudited)	Shown as US$'000 (unaudited)
Ordinary shares of HK$0.01 each			
At 1 January2019	3,085,251,425	30,853	3,966
Issue of new shares by placement	66,081,535	660	84
At 30 June 2019	**3,151,332,960**	**31,513**	**4,050**

On 11 January 2019, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 66,081,535 new shares for an aggregate consideration of approximately HK$7,137,000 at the subscription price of HK$0.108 per subscription share. The subscription was completed on 21 January 2019. The intent of the proceeds was to provide general working capital for the Company.

The new shares rank *pari passu* with the existing shares in all respects.

13. SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme.

The Company granted 54,956,892 share options on 17 May 2019 to certain consultants for the purpose of development of CMMB Business and seeking for new investment opportunities in CMMB Business.

The Binomial pricing model has been used to estimate the fair value of the options. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

The Group has recognized share-based payments expense in profit or loss of US$193,000 related to equity-settled share-based payment transactions for the six months ended 30 June 2019.

Details of the share options granted and outstanding under the Share Option Scheme for the six months ended 30 June 2019 were as follows:

	Date of grant	**Exercise price HK$**	**Exercise period**	**Outstanding at 1.1.2019**	**Granted during the period**	**Exercised during the period**	**Lapsed / forfeited during the period**	**Outstanding at 30.6.2019**
Consultants	17 May 2019	0.075	17 May 2019 to 16 May 2022	–	**54,956,892**	–	–	**54,956,892**
Total				–	**54,956,892**	–	–	**54,956,892**
Exercisable at the end of the period								**54,956,892**
Weighted average exercise price (HK$)								**0.075**

14. CAPITAL COMMITMENTS

As at 30 June 2019, neither the Group nor the Company has any significant capital expenditure contracted for but not provided in the condensed consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF BUSINESS OPERATIONS

The principal activity of CMMB Vision Holdings Limited (the "**Company**") is investment holding whilst its subsidiaries are mainly engaged in the provision of Convergent Mobile Multimedia Broadcasting ("**CMMB**"), the next generation of convergent satellite-mobile multimedia infotainment broadcasting service, and the trading of printed circuit board ("**PCB**").

CMMB Business

The Company currently has a portfolio of 11 UHF spectrum television ("**TV**") stations in the United States of America ("**US**"), situated over eight large metropolitan cities, including New York, Los Angeles, San Francisco, Dallas, Houston, Atlanta, Miami and Tampa. The portfolio gives us a wide spectrum coverage for delivering free-to-air digital TV programming to a large audience base with operational efficiency and broad revenue opportunities. It also positions us well for deploying the next generation of CMMB platform which extends the delivery of new media services from homes to mobile users and vehicle users.

The Company's CMMB satellite-mobile digital broadcasting technology converges the capabilities of space, terrestrial TV and telecom (4G/5G) and internet/Wi-Fi technologies to create an interactive ubiquitous broadcasting system. In the US, we are preparing our wireless UHF TV network for potential deployment of our CMMB technology. In China, we have been proactively pursuing opportunities to support a 3-way convergence network comprising of TV, telecom and internet technologies. Our current primary focus is on mobile TV and infotainment services based on the CMMB standards, with a goal of promoting CMMB-based services, solutions and innovations in China and other markets around the world.

Our convergent satellite-mobile broadcasting technology has already completed its initial trial testing by conducting road tests with concept-cars and covered 21 cities in China, including Beijing, Changchun, Wuhan, Chongqing, Baoding, Chengdu, Taiyuan, Hefei, Harbin, Daqing, Shenzhen, Xiamen, Jiaxing, Nanjing, Danyang and Huizhou. The road test travelled over 1 million kilometres, accumulating more than 87,900 hours of testing. It is now in the process of preparing to apply for the relevant licenses in China in preparation of a soft commercial trial launch. Silkwave Holdings Limited ("**Silkwave Holdings**") continues to collaborate with original equipment manufacturers ("**OEMs**") in the auto-manufacturing sector to design-in pre-installations our technology into new cars and partners with other academic research and development centres to enhance and promote our technology. Recently, the *XingYun* app was launched on the Android and iOS platforms to showcase our technology and ecosystem and to allow users to freely enjoy live entertainment broadcasts on their mobile devices.

Trading Business

The trading business is a challenging sector to operate due to highly competitive pressures and low profit margins. In response to rising labour and material costs, manufacturers are diversifying their facilities to other Asian countries to lower and manage costs. This diversification leads to an increase in competition from other trading agents vying for a share of the PCB market, putting a strain on an already thin operating margin for the sector.

FINANCIAL REVIEW

The Group recorded loss for the six months ended 30 June 2019 (the "**Period**") of US$6,975,000 (six month ended 30 June 2018: profit for the period of US$40,492,000), and loss per share was US0.22 cents (six months ended 30 June 2018: earning per share of US1.67 cents). As at 30 June 2019, the net assets per share attributable to owners of the Company was US7.92 cents (31 December 2018: US8.41 cents).

For the Period, the Group is engaged in the provision of transmitting and broadcasting television programs and trading of PCB materials with a revenue of US$3,317,000 (six months ended 30 June 2018: US$2,828,000). The increase in revenue of US$489,000 or 17.3% was mainly due to the increase in trading of PCB materials by US$333,000 and increase in TV rental income of US$156,000

Cost of sales mainly includes costs of goods sold, staff costs and operating lease payments. The increase in cost of sales of US$239,000 or 13.0% was due to an increase in direct costs and costs of sales of US$106,000 and an increase in operating lease payments of US$84,000 for the Period.

Gross profit increased from US$992,000 in corresponding period in 2018 to US$1,242,000 in 2019, an increase of US$250,000 or 25.2%, which arose primarily from higher TV rental income.

Administrative expenses for the Period increased by 2.5% to US$1,080,000, as compared to the same Period in 2018 of US$1,054,000, mainly due to a slightly higher staff cost and rental lease expense.

Market development and promotion expenses decreased by 53.6% to US$1,028,000 (six months ended 30 June 2018: US$2,215,000), primarily due to cost control on business development activities and travels.

Other expenses for the Period amounted to US$193,000 (six months ended 30 June 2018: US$404,000), with the decrease mainly attributable to a less foreign exchange loss. Other expenses included listing fees, printing charges and corporate legal and professional fees for potential investment and acquisitions and corporate transactions.

Finance costs of the Group for the Period amounted to US$2,798,000 (six months ended 30 June 2018: US$1,101,000) which mainly represented effective interest expense on convertible notes. The Group did not bear any bank and other borrowings during the six months ended 30 June 2019.

The 2021 Convertible Notes in the principal amount of US$5,921,000 were redeemed at US$5,921,000 during the Period and accordingly, a gain on redemption of the convertible notes of US$1,525,000 (six months ended 30 June 2018: US$1,934,000) was recorded.

The 2025 Convertible Notes in the principal amount of US$2,000,000 were redeemed at US$2,000,000 during the Period and accordingly, a gain on redemption of the convertible notes of US$114,000 (six months ended 30 June 2018: nil) was recorded.

The Company shared a loss US$4,689,000 for its 20% interest in Silkwave Holdings, which is primarily comprised of depreciation and amortization, research and development and other operating expenses.

There was no impairment loss recognized on intangible assets for both periods as management of the Group determined that their recoverable amount were higher than their carrying amounts of the cash generating units arising from intangible assets.

INTERIM DIVIDEND

The board of directors of the Company did not declare any interim dividend to the shareholders of the Company for the six months ended 30 June 2019.

LIQUIDITY AND FINANCIAL RESOURCES

The total equity attributable to the owners of the Company decreased to US$249,709,000 as at 30 June 2019 as compared with US$259,356,000 as at 31 December 2018, mainly derived from the proceeds of the share placement completed on 21 January 2019 and set off by the loss for the period attributable to the owners of the Company. Current assets amounted to US$7,829,000 (31 December 2018: US$13,042,000) is comprised of bank balances and cash of US$1,601,000 (31 December 2018: US$2,360,000), trade and other receivables of US$1,800,000 (31 December 2018: US$1,487,000), amount due from a related company of US$2,768,000 (31 December 2018: US$9,131,000) and amount due from an associate of US$1,120,000 (31 December 2018: US$64,000). Current liabilities amounted to US$10,139,000 (31 December 2018: US$8,231,000), which represented trade and other payables of US$9,848,000 (31 December 2018: US$8,009,000) and tax payable of US$291,000 (31 December 2018: US$222,000). As at 30 June 2018, the Group’s current ratio was 0.7 (31 December 2018: 1.6).

On 11 January 2019, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 66,081,535 new shares for an aggregate consideration of approximately HK$7,137,000 at the subscription price of HK$0.108 per subscription share. The subscription was completed on 21 January 2019. The intent of the proceeds was to provide general working capital for the Company.

CAPITAL STRUCTURE

Indebtedness

Convertible notes of the Group as at 30 June 2019 amounted to US$48,794,000 (31 December 2018: US$51,668,000). The gearing ratio (a ratio of total loans to total assets) was 14.6% (31 December 2018: 14.9%), reflecting the Group's financial position was at a sound level. Other than the convertible notes, the Group did not have any bank borrowings as at 30 June 2019 (31 December 2018: nil).

As at 30 June 2019, neither the Group nor the Company has any significant contingent liabilities (31 December 2018: nil).

Funding and treasury policies and objectives

The Group adopts prudent funding and treasury policies. The Group will seek bank borrowings and debt financing when operational needs arise and will review its bank borrowings and debt securities regularly to achieve a sound financial position.

CHARGE ON ASSETS

As at 30 June 2019, neither the Group nor the Company pledges any properties and assets (31 December 2018: nil).

OFF-BALANCE SHEET TRANSACTIONS

As at 30 June 2019, the Group did not enter into any material off-balance sheet transactions (31 December 2018: nil).

FOREIGN EXCHANGE EXPOSURE

For the Period, most of the assets, liabilities and transactions of the Group are denominated in United States dollars. Management of the Group considers the impact of foreign exchange risk to the Group to be insignificant, 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

The average number of employees of the Group for the Period was approximately 30 (six months ended 30 June 2018: 30). The Group's staff costs (including directors' fees and emoluments) for the Period amounted to US$757,000 (six months ended 30 June 2018: US$668,000). The Group offers a competitive remuneration package to retain elite employees, including salaries, medical insurance, discretionary bonuses, other fringe benefits as well as mandatory provident fund scheme for employees in Hong Kong. The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice.

The Group has also adopted a share option scheme for the purposes of providing incentives and rewards to eligible participants to recognise their contribution to the Group and enhancing their sense of ownership. During the Period, the Company has granted 54,956,892 share options to consultants of the Group under the share option scheme of the Company adopted on 18 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.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 30 June 2019, the Group did not make any significant investments.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events occurred after the end of the reporting period.

PROSPECTS

CMMB Business

As a result of the reassignment of frequencies, the Company has started retrofitting our broadcasting equipment to conform with the new frequencies assigned, although these capital expenditures are expected to be relatively insignificant.

Despite the potential downsides to the FCC spectrum reallocation, this event also brings new opportunities and synergies to TV operators through collaboration, such as co-sharing of revenue on joint marketing initiatives and reducing operational costs. Furthermore, the FCC approved the introduction of the Advanced Television Systems Committee ("**ATSC**") standard 3.0 ("**ATSC 3.0**"), however, it is deferring its decision on targeted ads in accordance with its guidelines on privacy. The approval carries with it a general requirement on full-power stations who choose to deploy ATSC 3.0 to maintain an ATSC-compatible signal for at least 5 years, while low-power stations are exempt from this simulcasting requirement. Although we are exempt from the simulcasting requirement, we predict the transition to ATSC 3.0 at the hardware manufacturer level and especially at the consumer level to take at least 5 years or longer. During this time, advances in scalable video codec and audio compression technology are anticipated to allow for a possible increase in the number of channels given a fixed assignment of spectrum frequency, such that there is a potential to reverse channels lost in the current displacement reapplications.

In China and other Asian countries, the Company has a 20% equity interest in Silkwave Holdings Limited ("**Silkwave Holdings**"), with a call option for a further 31% equity interest in Silkwave Holdings. The acquisition of Silkwave Holdings brought together the necessary space and terrestrial technology, licenses, content and other partnerships to form a complete ecosystem to serve infotainment services to consumers and commercial businesses. Given China is quickly becoming the world's largest automobile market, it will be our primary initial market for deploying our services, with plans to expand to other countries thereafter.

Silkwave Holdings has also enlisted a top-tier investment bank to lead its fundraising campaign whose proceeds will be used to finance the construction of the next generation of satellites and related infrastructures, as well as fund operating cash flows. The new space infrastructure will replace the existing AsiaStar-based system and allow Silkwave Holdings to reach its full-service capability by expanding its service offerings once Silkwave Holdings enters full commercial service launch.

Trading Business

There are several factors which affect the business, including the stage of product life cycle for our clients' electronic products and consumer demands for these products, status of political relationship between countries, and changes in each country's regulations. Sales in this segment depends greatly on the size of orders received.

FUNDRAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Set out below is the fundraising activities of the Company during the past twelve months immediately prior to the date of this announcement:

Date of announcement	Events	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
11 September 2018	Placing of 459,140,625 new shares under general mandate granted by the Shareholders at the Annual General Meeting ("**AGM**") on 28 May 2018	Approximately US$7,496,000	General working capital for operations and business development	• Administrative and operating expenses of US$800,000 • Partial repayment of convertible notes of US$6,696,000
11 January 2019	Placing of 66,081,535 new shares under general mandate granted by the Shareholders at the AGM on 28 May 2018	Approximately US$910,000	General working capital for operations and business development	• Partial repayment of convertible notes of US$910,000

Save as abovementioned, the Company had not conducted any other fundraising exercise in the past twelve months immediately preceding the date of this announcement.

OTHER INFORMATION

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 ("CG CODE")

The Directors recognise the importance of incorporating elements of good corporate governance in the management structure and internal control procedures of the Group so as to achieve effective accountability and to maximise the shareholders' benefits. 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 comprises of Dr. Li Shan and Dr. Li Jun, being independent non-executive Directors and Mr. Chou Tsan-Hsiung, a non-executive Director. Currently, Dr. Li Shan is the chairman of the Audit Committee. The Audit Committee has reviewed and discussed, 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 29 August 2019.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company deeply understands that shareholders are entitled to have a better understanding of the business and prospect of the Group. Therefore, the Company always makes active communication with investment community. Shareholder communication policy has been adopted to regulate and promote the efficient and sound communication among the Company, its shareholders and other stakeholders. The policy can be accessed on the Group's website.

PUBLICATION OF THE CONSOLIDATED INTERIM RESULTS AND 2019 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com). The interim report for the six months ended 30 June 2019 will be dispatched to the Shareholders and published on the aforementioned websites in due course.

By Order of the Board
CMMB Vision Holdings Limited

Wong Chau Chi
Chairman

Hong Kong, 29 August 2019

As at the date of this announcement, the executive directors are Mr. WONG Chau Chi and Dr. LIU Hui; the non-executive directors are Mr. CHOU Tsan-Hsiung and Mr. YANG Yi; and the independent non-executive directors are Dr. WANG Wei-Lin, Dr. LI Shan and Dr. LI Jun.