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 2021

FINANCIAL HIGHLIGHTS

(a) Revenue decreased by approximately 14.7% to approximately US$2.6 million.

(b) Gross profit decreased by approximately 19.8% to approximately US$1.1 million.

(c) Loss and total comprehensive loss for the period attributable to owners of the Company were approximately US$18.0 million and approximately US$18.7 million, respectively.

(d) Basic and diluted loss per share attributable to ordinary shareholders were approximately US 6.04 cents.

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 referred to as to the "**Group**") for the six months ended 30 June 2021 (the "**Period**"), together with the comparative figures for the corresponding period in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	NOTES	***US$'000***	*US$'000*
		(unaudited)	(unaudited)
Revenue	*4*	**2,582**	3,026
Cost of sales		**(1,471)**	(1,640)
Gross profit		**1,111**	1,386
Other income	*5*	**43**	480
Administrative expenses		**(1,057)**	(740)
Market development and promotion expenses		**(760)**	(674)
Finance costs	*6*	**(3,023)**	(2,722)
Share of results of an associate		**(9,341)**	(6,578)
Impairment loss recognised on an intangible asset		**(8,700)**	(7,000)
Other expenses		**(46)**	(81)
Loss before tax		**(21,773)**	(15,929)
Income tax expense	*7*	**–**	(236)
Loss for the period	*8*	**(21,773)**	(16,165)
Other comprehensive expense			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(757)**	(406)
Total comprehensive expense for the period		**(22,530)**	(16,571)

	NOTES	Six months ended 30 June 2021 US$'000 (unaudited)	2020 US$'000 (unaudited)
Loss for the period attributable to:			
– Owners of the Company		**(17,956)**	(14,864)
– Non-controlling interests		**(3,817)**	(1,301)
Loss for the period		**(21,773)**	(16,165)
Total comprehensive expense attributable to:			
– Owners of the Company		**(18,713)**	(15,270)
– Non-controlling interests		**(3,817)**	(1,301)
Total comprehensive expense for the period		**(22,530)**	(16,571)
		US cents (unaudited)	US cents (unaudited)
Loss per share	*9*		
– Basic and diluted		(6.04)	(7.00)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	NOTES	**30 June 2021 *US$'000* (unaudited)**	31 December 2020 *US$'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**144**	213
Intangible assets	*10*	**46,015**	54,715
Interests in an associate	*11*	**115,510**	124,865
Rights-of-use assets		**165**	297
		161,834	180,090
CURRENT ASSETS			
Trade and other receivables	*12*	**528**	970
Amount due from a related company		**2,564**	2,212
Amount due from an associate		**1,560**	890
Bank balances and cash		**1,044**	447
		5,696	4,519
Assets classified as held for sale		**–**	1,000
		5,696	5,519
CURRENT LIABILITIES			
Trade and other payables	*13*	**5,441**	5,998
Amount due to shareholders		**68**	1,932
Lease liabilities		**174**	309
Tax payable		**338**	339
		6,021	8,578
NET CURRENT LIABILITIES		**(325)**	(3,059)
TOTAL ASSETS LESS CURRENT LIABILITIES		**161,509**	177,031

	NOTES	30 June 2021 US$'000 (unaudited)	31 December 2020 US$'000 (audited)
NON-CURRENT LIABILITIES			
Convertible notes	*14*	**56,390**	53,373
Lease liabilities		**16**	33
		56,406	53,406
NET ASSETS		**105,103**	123,625
CAPITAL AND RESERVES			
Share capital	*15*	**9,235**	7,117
Share premium and reserves		**82,163**	98,986
Equity attributable to owners of the Company		**91,398**	106,103
Non-controlling interests		**13,705**	17,522
TOTAL EQUITY		**105,103**	123,625

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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 "**Stock Exchange**") (the "**Listing Rules**").

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis. In preparing the 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 approximately US$22.5 million for the six months ended 30 June 2021 and the Group's net current liabilities of approximately US$0.3 million as at 30 June 2021. 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 not limited to, the following:

a) Chi Capital Holdings Ltd ("**Chi Capital**") has agreed to provide continuous financial support to enable the Group to meet its financial obligations as they fall due in the foreseeable future.

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 consolidated financial statements have been prepared on a going concern basis.

3. 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 2021 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020 ("**Annual Report 2020**").

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standard ("**HKFRSs**") issued by the HKICPA for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9 HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 16	COVID-19 Related Rent Concessions*

* *Early adopted by the Group in current period's financial statements.*

Except as described below, the application of the 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.

The Group has early adopted the amendments to HKFRS 16 which provides relief to lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; (iii) there is no substantive change to other terms and conditions of the lease. The Group elects to adopt the practical expedient to account for the COVID-19 pandemic related rent concession as negative variable lease payments. Accordingly, the Group credited US$43,000 to profit or loss for the rent concessions received by the Group during the period.

The Group has not adopted any other standard, interpretation or amendment that has been issued but has not yet been effective.

4. 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 2021

	CMMB business *US$'000* **(unaudited)**	**Trading business** *US$'000* **(unaudited)**	**Total** *US$'000* **(unaudited)**
Segment revenue	**1,109**	**1,473**	**2,582**
Segment loss	**(8,513)**	**(42)**	**(8,555)**
Market development and promotion expenses	**(760)**	**–**	**(760)**
Effective interest on convertible notes	**(3,016)**	**–**	**(3,016)**
Share of results of an associate	**(9,298)**	**–**	**(9,298)**
Other income			**43**
Unallocated expenses			**(187)**
Loss for the period			**(21,773)**

Six months ended 30 June 2020

	CMMB business *US$'000* (unaudited)	Trading business *US$'000* (unaudited)	Total *US$'000* (unaudited)
Segment revenue	2,127	899	3,026
Segment loss	(5,602)	(22)	(5,624)
Market development and promotion expenses	(674)	–	(674)
Effective interest on convertible notes	(2,708)	–	(2,708)
Share of results of an associate	(6,578)	–	(6,578)
Other income			480
Unallocated expenses			(1,061)
Loss for the period			(16,165)

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	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Transmission and broadcasting services	**1,109**	2,127
Trading of PCB Materials	**1,473**	899
	2,582	3,026

5. OTHER INCOME

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
COVID-19 related rent concessions and subsidies	**43**	135
Derecognition of payable	**–**	345
	43	480

6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Effective interest expense on convertible notes	**3,016**	2,708
Interest expense on lease liabilities	**6**	13
Others	**–**	1
	3,022	2,722

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Current tax:		
US Income Tax	**–**	236

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2020: 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 2019/2020. 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 2021.

For the six months ended 30 June 2021, US Income Tax is charged at 24% (six months ended 30 June 2020: 24%) on the estimated assessable profits.

Taiwan Income Tax is charged at 20% 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.

8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Staff costs, including Directors' remuneration, Share-based payment expense and retirement benefits scheme contributions	**721**	507
Depreciation of property, plant and equipment	**200**	90
Depreciation of rights-of-use-assets	**131**	130
Included in other expenses:		
Legal and professional fees	**46**	99
Exchange losses/(gains), net	**2**	(2)

9. 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	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purposes of calculating basic and diluted loss per share	**(17,956)**	(14,864)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	**297,090,363**	212,455,003

As the rights issue on the basis of one rights share for every two existing shares held on the record date at the subscription price of HK$0.65 per rights share ("**Rights Issue**"), completed on 11 March 2020 includes no bonus elements, the weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the six months ended 30 June 2020 is are not required to be adjusted for the effect of the Rights Issue.

10. INTANGIBLE ASSETS

	Spectrum Usage rights
	US$'000
Cost	
At 31 December 2020 and 30 June 2021	95,948
Accumulated Amortisation/impairment	
At 31 December 2020	41,233
Impairment recognised for the Period	8,700
	49,933
Carrying Value	
At 30 June 2021	46,015
At 31 December 2020	54,715

As disclosed in note 18 of the Annual Report 2020, the spectrum usage rights represented user and operating rights over free-to-air UHF Spectrum TV Stations inclusive of the spectrum usage right, broadcasting rights and operating facilities in seven top US metropolitan cities, which are New York, Los Angeles, Dallas, Houston, Atlanta, Miami and Tampa.

The management conducted an impairment assessment on the spectrum usage rights on the reporting date. The directors determined that as at 30 June 2021, there is an impairment loss of US$8.7 million (six months ended 30 June 2020: US$7.0 million) recognised for the spectrum usage rights by reference to the value in use calculation.

The basis of the recoverable amounts of the above spectrum usage rights and their underlying assumptions are summarised below:

The recoverable amount of the spectrum usage rights has been determined based on a VIU calculation. The VIU calculation is based on the financial budgets approved by the management. Due to the upgrading progress had took much longer than planned, the management had reassess and reduced the unutilised capacity fill rate for upcoming years. In the first-year, the unutilised capacity will be filled at approximately 5% yearly (2020: approximately 5% increments per quarter). In the second-year, the unutilised capacity will be filled at 10% yearly (2020: approximately 10% increment per quarter), from the third to terminal year, the unutilised capacity will be filled at approximately 10% yearly (2020: reach approximately 54% and 65% in the third and terminal year respectively).

The discount rate of 10.35% (2020: 10.35%) is determined based on the weighted average cost of capital appropriate for the spectrum usage rights. The cost of equity of 8.26% (2020: 8.26%) for the year is calculated by: (i) the risk free rate of 0.92% (2020: 0.92%), which is the 10 year average yield of US Government Bond Benchmark Yield Curve; (ii) the equity beta of 1.03 (2020: 1.03), which is the adjusted beta by making reference to publicly listed companies with comparable business nature and operation; and (iii) the market risk premium of 7.15% (2020: 7.15%), which is the difference between market rate of return and risk free rate. This long-term equity risk premium refers to the 10-year average market rate of return for the United States, sourced from Thomson Reuters. The cost of debt of 3.25% (2020: 3.25%) for the year is estimated by referring to the US Prime Lending Rate.

Through the analysis of the industry comparables, the weight of debt and equity is estimated as 49% (2020: 49%) and 51% (2020: 51%) respectively. The corporate tax rate and specific risk premium applied remain unchanged at 24% and 3% respectively. The spectrum usage rights' cash flow beyond the three-year period (2020: three-year period) are extrapolated using a steady growth rate of 2.17% (2020: 2.17%) per annum. This growth rate is based on projected inflation published by the International Monetary Fund.

Other key assumptions for the VIU calculations relate to the estimation of cash inflows/outflows which included budgeted sales and gross margin. Such estimation is based on the past performance and management's expectations. Further to the above inputs, we have also considered these factors – (a) the FCC licences for the spectrum usage rights can be renewed upon expiry at nominal cost; (b) the contracting parties for the existing lease contracts are acting in accordance with the agreements' terms and conditions and other understanding discussed between the parties; (c) the level of key management, competent personnel and technical staff retained to support the ongoing operations have remained consistent over time; etc.

11. INTERESTS IN AN ASSOCIATE

	30 June 2021	31 December 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
Initial cost of unlisted investment in an associate	**238,350**	238,350
Share of result of associate	**(122,840)**	(113,499)
Share of exchange difference of an associate	**–**	14
	115,510	124,865

The Company acquired 20% equity interest in Silkwave Holdings Limited ("**Silkwave**") with a call option to acquire additional 31% equity interest in Silkwave on 29 May 2018. Through its wholly-owned subsidiary, Silkwave indirectly holds a geosynchronous L-band satellite operating platform, including the AsiaStar satellite capacity, its 40MHz spectrum frequency use covering China and Asia, geostationary orbital slot, network solutions, terminal applications, and a Silkwave-1 satellite design under procurement. Such a platform can offer unprecedented efficiency and economies of scale in delivering digital multimedia and internet-based content services to vehicles and mobile devices ubiquitously throughout China and Asia Pacific Region.

With the already acquired global L-band mobile broadcasting satellite assets, Silkwave has been developing core technologies for satellite + LTE (4G and 5G) convergence. Working with multiple Chinese government agencies and industry groups Silkwave has developed a nationwide satellite – LTE Converged™ network for multimedia delivery, end-to-end ecosystem solutions, and operating partnerships with broadcasting authorities for service deployment. Its development highlights include the terminal device solution TM-Box coupled with Xingyun user interface which is being promoted to be China's industry standard for vehicular multimedia, with multiple OEM automakers having expressed interest to design-in such standard into new vehicle series. Silkwave has also integrated Beidou satellite system to create centimetre-level high-precision positioning solutions for vehicle navigation. In addition, Silkwave has completed multiple stages of technical trial services over 14 provinces and 1 million kilometres in road test in China, as well as over vast regions over the South China Sea.

The share of loss of Silkwave for the Period increased to US$9.3 million (six months ended 30 June 2020: US$6.6 million). Which is primarily due to the delay of regulatory approval for Silkwave group to deploy commercial services in China and prolonged fund-raising for constructing new satellite for mass-market commercial rollout due to continue impact of COVID-19.

Silkwave has been developing satellite connected-car multimedia business in China which will be supported by its AsiaStar satellite assets such as frequency spectrum and orbital slot. Over the years Silkwave has completed its network infrastructure, technology, and ecosystem platform and has been conducting trial services throughout China. It has been awaiting regulatory approvals from various government agencies to launch its commercial services, which in turn will allow the Company to start generating revenues.

Due to numerous government delays, and amidst the prolonged COVID-19 impact, the expected regulatory approvals have not yet arrived, and Silkwave cannot commence commercial services. On the other hand, the slow capital market activities during the COVID-19 period seriously delayed Silkwave's fund-raising effort for constructing and launching a new high-power satellite, which is needed for commercial service rollout in a mass-market scale. The lack of regulatory approval also hampered the fund-raising process. Accordingly, the management has assessed and revised its commercial operations and the expected cashflow and revenue streams associated with the business due to the delay in the regulatory and high-power satellite procurement, hence significant reduction in the valuation of the Silkwave assets is resulted.

The Company remains confident that the regulatory approvals will eventually arrive, and the fund-raising effort will regain momentum, especially when there are new vaccination efforts in coping with the COVID-19 pandemic.

12. TRADE AND OTHER RECEIVABLES

The Group generally allows credit period between 15 to 60 days to its customers of CMMB Business and Trading Business.

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 2021	31 December 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade receivables:		
0 – 30 days	**386**	182
31 – 60 days	**–**	303
61 – 90 days	**–**	311
	386	816
Other receivables and deposits	**142**	152
Prepayment	**–**	2
	528	970

13. 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 2021	31 December 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade payables	**532**	490
Accruals	**4,908**	3,903
Receipt in advance	**–**	1,605
	5,440	5,998

14. CONVERTIBLE NOTES

As disclosed in note 28 of the Annual Report 2020, 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.

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

	US$'000
At 31 December 2020	**53,373**
Effective interest expenses	**3,017**
At 30 June 2021	**56,390**

15. SHARE CAPITAL

	Number of shares	**Nominal value**	**Shown as**
		HK$'000	*US$'000*
	(unaudited)	(unaudited)	(unaudited)
Ordinary shares of HK$0.20 each			
At 1 January 2021	277,925,277	55,585	7,117
Issue of new shares by placing	58,342,055	11,668	1,496
Exercise of share options	24,245,000	4,849	622
At 30 June 2021	**360,512,332**	**72,102**	**9,235**

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

16. CAPITAL COMMITMENTS

As at 30 June 2021, neither the Group nor the Company has any significant capital expenditure contracted for but not provided in the condensed consolidated financial statements.

17. EVENT AFTER THE REPORTING PERIOD

On 19 August 2021, the subscription agreement for the US$65 million convertible notes has been approved by the shareholder of the Company, to fully offset the outstanding US$87 million convertible notes due to Chi Capital. As a result, accounting gain will be recognized in the second half of 2021 for the loan forgiveness. The Company believes the said subscription agreement will place the Group in a better position for future development. For detail of the subscription agreement, please refer to circular of the Company dated 2 August 2021.

18. LITIGATION

As at the end of the reporting period, the Group had potential litigation in US against the Company. On 18 October 2019, Mr. Hamza Farooqui ("**Mr. Farooqui**") filed a claim against Silkwave, the Company, Chi Capital, Mr. Wong Chau Chi (a director of the Company), Dr. Liu Hui (a director of the Company) and three other related parties of Silkwave for breach of implied contract, quantum meruit, promissory estoppel, unjust enrichment, breach of contract, fraud and fraud in the inducement, constructive trust, and defamation (the "**Claim**"). In the Claim, it is alleged that, among other matters, the defendants in the Claim are liable to Mr. Farooqui for certain work he performed for the benefit of the defendants in connection with business transactions involving satellite assets in Asia and Africa and certain compensations.

As at the end of the reporting period, the Superior Court of the District of Columbia, US granted motion for the extension of time to file proof of service. The scheduling conference which was previously scheduled on 12 June 2020 and 28 August 2020 in Washington D.C., US. was rescheduled to November 2020 by court order due to COVID-19 situation, which was further postponed. The litigation has no material movement for this reporting period.

A scheduling conference with the court occurred in February 2021 where the parties agreed to proceed based on the track three schedule and that each party prepared the document request list to commence the discovery process.

As at the end of the reporting period, the Company was seeking legal advice in relation to the Claim. The Directors believe that the Claim is without merit and the likelihood of a significant loss arising from the Claim is small thus no provision of the Claim was considered necessary.

19. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend to the shareholders of the Company for the six months ended 30 June 2021.

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**"), satellite infotainment multimedia technology and services (the "**Infotainment**") for vehicles and maritime applications, and trading of printed circuit board ("**PCB**").

Subscription

On 24 May 2021, the Company has entered into subscription agreements with six subscribers (the "**Subscribers**"), who are individuals, institutional or other professional investors, and who and whose ultimate beneficial owners (if any) are third parties independent of the Company and its connected persons, for the subscription of an aggregate 58,342,055 new shares (the "**Subscription Shares**") for an aggregate consideration of approximately HK$20,419,719 at the subscription price (the "**Subscription Price**") of HK$0.35 per Subscription Share (the "**Subscription**"). Details please refer to the announcement of the Company dated 24 May 2021.

The Subscription was completed on 1 June 2021.

A total of 58,342,055 Subscription Shares have been successfully issued at the Subscription Price of HK$0.35 per Subscription Share by the Company to the Subscribers. None of the Subscribers has become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Subscription.

Save as disclosed above, there has been no material change in the development of the Group's business and financial position, and no important event affecting the Group has occurred since the publication of the annual report of the Company for the year ended 31 December 2020.

FINANCIAL REVIEW

The Group recorded loss for the six months ended 30 June 2021 (the "**Period**") of US$22.5 million (six months ended 30 June 2020: US$16.2 million), and loss per share was US6.04 cents (six months ended 30 June 2020: US7.00 cents).

Revenue

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$2.6 million (six months ended 30 June 2020: US$3.0 million). The decrease in revenue of US$0.4 million was mainly due to the increase in trading of PCB materials by US$0.6 million and decrease in TV rental income of US$1.0 million.

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$0.1 million was due to a decrease in direct costs and costs of sales as a result of cost control for the Period.

Gross profit

Gross profit decreased from US$1.4 million in corresponding period in 2020 to US$$1.1 million in 2021, which arose primarily from lower broadcasting service income.

Administrative expenses

Administrative expenses for the Period increased from US$0.7 million to US$1.1 million, mainly due to increase in staff cost during the Period.

Market development and promotion expenses

Market development and promotion expenses remained steady as compared to June ended 2020, which include consultancy services fees for business development, travelling expenses for attending business conferences and meetings as well as research and development costs.

Finance costs

Finance costs of the Group for the Period amounted to US$3.0 million (six months ended 30 June 2020: US$2.7 million) 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 2021.

Share of results of an associate

The Company shared a loss of US$9.3 million (six months ended 30 June 2020: US$6.6 million) for its 20% interest in Silkwave Holdings Limited ("**Silkwave**"), which is primarily due to the delay of regulatory approval for Silkwave group to deploy commercial services in China and prolonged fund-raising for constructing new satellite for mass-market commercial rollout due to COVID-19. Details are set out in note 11 of the condensed consolidated financial statements.

The impairment loss of intangible assets

In the first half of 2021, the pandemic continued to hit and limited the cross-border business activities. As some of our LPTV stations are still under temporary shut down as result of the delayed upgrading progress, the management has assessed and revised its commercial operations and the expected cashflow and revenue streams associated with the business, hence, the impairment loss recognised on intangible assets for the Period was approximately US$8.7 million, compared to US$7.0 million in the same period of 2020. As management of the Group determined that the recoverable amount is lower than the carrying amount of the cash generating units arising from intangible assets by reference to a value-in-use ("**VIU**") calculation. which has been consistently applied for both period respectively.

One of the key assumptions for the VIU calculations is the budgeted revenue, which assumes the current contracted capacity will continue for the next three-years. Due to the upgrading progress had took much longer than planned, the management had reassess and reduced the unutilised capacity fill rate for upcoming years. In the first-year, the unutilised capacity will be filled at approximately 5% yearly (2020: approximately 5% increments per quarter). In the second-year, the unutilised capacity will be filled at 10% yearly (2020: approximately 10% increment per quarter), from the third to terminal year, the unutilised capacity will be filled at approximately 10% yearly (2020: reach approximately 54% and 65% in the third and terminal year respectively). The calculations are based on management's assessment of possible changes in the sales growth assumption for both contract and uncontracted capacity, which is hypothetical and should not be viewed as an indication on the likelihood of its occurrence. Despite impairment loss has been recognized on the intangible asset on the US spectrum, the management has been closely monitoring the upgrading progress and take remedy action to restore and improve the operation performance by seeking cooperation with potential business partner in order to maintain the sales growth.

Details are set out in note 10 of the condensed consolidated financial statements.

INTERIM DIVIDEND

The board (the "**Board**") of directors (the "**Director(s)**") of the Company has resolved not to declare any interim dividend to the shareholders of the Company for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group recorded a net loss of US$21.8 million during the Period. As at 30 June 2021, the Group had a surplus of US$105.1 million and the Group's current liabilities exceeded its current assets by US$0.3 million (31 December 2020: US$3.1 million). The Group maintained cash and cash equivalents of US$1.0 million (31 December 2020: US$0.4 million).

A series of plans and measures have been taken to mitigate liquidity pressure and to improve the financial position of the Group. In order to enhance the liquidity and improve the financial position of the Group, the Group has refinancing its debts and proactively broaden the source of income.

On 24 May 2021, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 58,342,055 new shares for an aggregate consideration of approximately HK$20,419,719 at the subscription price of HK$0.35 per subscription share. The subscription was completed on 1 June 2021. The proceeds has been used for repayment of advance from shareholders and to strengthen the general working capital of the Company.

CAPITAL STRUCTURE

Treasury Policies

The Group adopts a treasury policy that aims to better control its treasury operations and lower its borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board also considers various funding sources depending on the Group's needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The deposits of the Group at various licensed banks have been and will continue to be conducted in accordance with the Group's treasury policy. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

Indebtedness

Convertible notes of the Group as at 30 June 2021 amounted to US$56.4 million (31 December 2020: US$53.4 millin). The gearing ratio (a ratio of total loans to total assets) was 33.7% (31 December 2020: 28.8%), reflecting the Group's financial position was still at a sound level. Other than the convertible notes, the Group did not have any bank borrowings as at 30 June 2021 (31 December 2020: nil).

As at 30 June 2021, neither the Group nor the Company has any significant contingent liabilities (31 December 2020: nil).

Capital Commitments

As at 30 June 2021, neither the Group nor the Company has any significant capital expenditure contracted for but not provided in the condensed consolidated financial statements.

PLEDGE OF/CHARGE ON ASSETS

As at 30 June 2021, neither the Group nor the Company pledged or charged any properties and assets (31 December 2020: nil).

OFF-BALANCE SHEET TRANSACTIONS

As at 30 June 2021, the Group did not enter into any material off-balance sheet transactions (31 December 2020: 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 4 to the condensed consolidated financial statements.

EMPLOYEE BENEFITS

The average number of employees of the Group for the Period was approximately 23 (six months ended 30 June 2020: 25). The Group's staff costs (including directors' fees and emoluments and share-based payment expenses) for the Period amounted to US$721,000 (six months ended 30 June 2020: US$507,000). 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. Share options would be granted to respective employees with outstanding performance and contributions to the Group.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Particulars of the Group's events after the reporting period are set out in the note 17 of the Notes to the Condensed Consolidated Financial Statements in this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENT

During the Period, the Group did not have any material acquisition or disposals of subsidiaries, associates and joint ventures other than those announced on the website of the Stock Exchange. Save as disclosed herein, the Directors currently do not have any future plans for material investment. The Directors will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the period, the Group did not make any significant investments.

CONNECTED TRANSACTIONS IN RELATION TO PROPOSED ISSUE OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

On 29 June 2021, the Company entered into a conditional subscription agreement (the "**2021 CN Subscription Agreement**") with Chi Capital Holdings Ltd ("**Chi Capital**"), a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Wong Chau Chi, an executive Director, the chairman of the Board and the chief executive of the Company, pursuant to which Chi Capital has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the convertible notes in principal amount of US$65,000,000 ("**2021 CN**"). The conversion price (subject to adjustment events) of 2021 CN is HK$0.35 per conversion share. The subscription price of 2021 CN of US$65,000,000 will be fully set off by the existing convertible notes held by Chi Capital of outstanding amount of US$87,000,000 which shall fall due on 28 May 2025.

Assuming that there is no change in the number of issued shares of the Company since 30 June 2021 and the conversion rights attached to the 2021 CN are exercised in full, the number of issued shares of the Company will be increased by 1,444,857,142 (the "**2021 CN Conversion Shares**"), representing approximately 400.78% of the number of issued shares of the Company as at 30 June 2021 (i.e. 360,512,332 Shares) and approximately 80.03% of the number of issued shares of the Company as enlarged by the allotment and issue of the 2021 CN Conversion Shares (i.e. 1,805,369,474 Shares).

The 2021 CN Subscription Agreement was approved by the shareholders of the Company other than Chi Capital and its associates at the extraordinary general meeting of the Company held on 19 August 2021 and the Company has applied for the listing approval from of the 2021 CN Conversion Shares from The Stock Exchange of Hong Kong Limited.

PROSPECTS

CMMB business

The Group LPTV business remain sluggish during the pandemic and upgrading progress. The digital upgrade process has been severely impacted by the pandemic, which in turn delayed equipment manufacturing, shipment schedules, engineering and installation work, onsite building access and testing etc. Our problem by no means is unique, it is prevalent across the industry. As a result, the FCC has also been offering additional extension periods to stations when necessary. Four of our eight operated stations have completed the upgrading and the remaining stations are expected to complete by second half of 2021. Despite the setback, we are optimistic of the outlook. First the pandemic is expected to subside and the economy to recover, which is ramping up the media entertainment and advertising market. Second, we have entered into strategic partnership with certain major US LPTV operator to expand and strengthen our operation in terms of programming and technical capability. With these, in addition to our station upgrading, we expect to see significant improvement of the business in the coming fiscal year.

Trading Business

The PCB trading business suffered from the pandemic impact, such as delayed production, shipment, and drop in order flow. We are also facing intense competition for the increasingly commoditized PCB segment we have been in. To overcome the challenge, especially to move away from traditional PCB products, the Company has been looking to expand to other PCB component opportunities, such as the new-generation auto electronics components, which the Company can leverage its connected-car multimedia expertise and market access to procure higher value-added business orders. In addition, the Company is also looking to branch AI-based consumer digital electronic components. Already, the Company is in discussion with some new customer. As such, the Company is hopeful that its PCB trading business will recover and improve beyond its recent capacity. The Company will closely monitor the development of the PCB market and allocate resource accordingly.

Infotainment development

The infotainment operation is carried out by Silkwave Holdings Limited ("Silkwave") the associate of the Company, to which the Company plays the role of a dedicated technology and application service provider. There is no significant development of the business since the last published Annual report of the Company of 2020. We are still awaiting Chinese regulatory approval for Silkwave to deploy commercial services in China. In the meantime, the Company has been exploring to provide similar services in Southeast Asia through leveraging its satellite capacity access and ecosystem technology developed in China. Southeast could provide an effective market alternative for Company to provide mobile multimedia infotainment and applications in conjunction with Silkwave. The Company is in good progress of seeking local business partnership in certain ASEAN country to create an operating base for the whole Southeast Asia region. If proceeds successfully, the Company expects to launch pilot service within the next couple quarters followed by commercial offering next year in Southeast Asia.

Outlook

Following the recent restructuring of the Company issued convertible note, the Group is able to eliminate US$22 million of debt payable to the note holder, which is a gain the Company will recognize accordingly. The debt reduction, together with other parameters in the restructuring, is expected to render the Group in a much better financial position to advance its business and with better support from strategic partners and financial institutions. The Group has announced its development plan during the first half of 2021. It will stringently implement the plan, improve efficiency, and reign in cost control to strengthen its operation and revenue flow. It remains optimistic on its future development.

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	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
24 May 2021	Subscription of 58,342,055 new shares under general mandate granted by the Shareholders at the annual general meeting of the Company held on 24 May 2021	Approximately HK$20,343,279	Repayment of advance from shareholders and to strengthen the general working capital	• Repayment of advances from shareholders of HK$20,273,279 • strengthen the general working capital HK$70,000

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

During the Period, (1) 24,245,000 new ordinary shares of the Company were issued pursuant to the exercise of share options under the share option scheme of the Company; and (2) 58,342,055 new ordinary shares of the Company were issued pursuant to the Subscription.

Save as disclosed herein, 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 Corporate Governance Code ("**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.

The Board considers that good corporate governance of the Company is central to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintaining and ensuring high standards of corporate governance. The Company has applied the principles and complied with all the applicable code provisions of the CG Code throughout the six month ended 30 June 2021 except:

(i) The Company has been deviated from the code provision A.2.1 of the CG Code, as the roles of chairman and chief executive of the Company were not separate. With effect on 19 May 2008, Mr. Wong was re-designated as the chairman while also serving as the chief executive of the Company. According to the code provision A.2.1 of the CG Code, the roles of a chairman and a chief executive 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 2007, particularly in soliciting new possible business opportunities and deducing the overall strategic plan for the future development of the Company, the Board considers that it would be beneficial for the Group if Mr. Wong is also in charge of overseeing the Company's operations as the 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.

(ii) Sections A.5.1 to A.5.4 of the CG Code in respect of the establishment, terms of reference and resources of a nomination committee. The Board has considered the merits of establishing a nomination committee but has concluded that it is in the best interests of the Company and potential new appointees that the Board collectively reviews and approves the appointment of any new Director as this allows a more informed and balanced decision to be made by the Board as to suitability for the role.

AUDIT COMMITTEE

The Audit Committee comprises of Dr. Li Shan, Dr. Li Jun and Mr. Chow Kin Wing 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 26 August 2021.

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 2021 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/listco/hk/cmmbvision). The interim report for the six months ended 30 June 2021 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, 26 August 2021

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