

---

## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt about any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in CMMB Vision Holdings Limited (the “Company”), you should at once hand Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, having attached hereto the written consent referred to under the section headed “Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of these documents.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended, (the “U.S. Securities Act”) or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws. There is no intention to register any portion of the rights issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares in their nil-paid or fully-paid form or to take up any entitlements to the Rights Shares in their nil-paid or fully-paid form in any jurisdiction in which such an offer or solicitation is unlawful.

---



CMMB  
VISION

**CM MB 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)**

**RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY TWO EXISTING SHARES  
HELD ON THE RECORD DATE AT HK\$0.65 PER RIGHTS SHARE  
ON A NON-UNDERWRITTEN BASIS  
AND  
POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS  
UNDER THE SHARE OPTION SCHEME**

**Bookrunner**  
**KGI Asia Limited**

---

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 3 March 2020. The procedures for application of Rights Shares are set out in the paragraph headed “Procedures for application and payment for the rights shares” on pages 17 to 19 of this prospectus.

The Rights Issue is on a non-underwritten basis. Pursuant to the Companies Law, the Companies (WUMP) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue.

The Rights Issue is conditional on the Placing Agreement having become unconditional and not having been terminated. The conditions to the Placing Agreement are set out in the sub-section headed “Conditions Precedent of the Placing Agreement” in the letter from the Board. **The Bookrunner may by notice in writing to the Company given served at any time prior to 9:00 a.m. on the Settlement Date or such later time as the Company and the Bookrunner may agree, terminate the Placing Agreement if any of the grounds of termination as set out in the sub-section headed “Letter from the Board – Termination of the Placing Agreement” in this Prospectus happens. If the Bookrunner terminates the Placing Agreement, the Rights Issue will not proceed.** Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

The Shares have been dealt with on an ex-rights basis from 7 February 2020. The Rights Shares will be dealt with in their nil-paid form from 20 February 2020 to 27 February 2020. Any person dealing in Shares or Rights Shares between the date of this Prospectus and the date the Rights Issue becomes unconditional will bear the risk that the Rights Issue may not become unconditional and may not proceed. Any dealings in the Shares during the period from the date hereof to the date on which all the conditions to which the Rights Issue is subject are fulfilled, which is currently expected to be 4:00 p.m., Wednesday, 4 March 2020, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

18 February 2020

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Termination of the Placing Agreement</b> .....	6
<b>Expected Timetable</b> .....	8
<b>Letter from the Board</b> .....	10
<b>Appendix I – Financial Information of the Group</b> .....	I-1
<b>Appendix II – Unaudited Pro Forma Financial Information of the Group</b> .....	II-1
<b>Appendix III – General Information</b> .....	III-1

---

## DEFINITIONS

---

*In this Prospectus, unless the context otherwise requires, the following expressions used shall have the following meanings:*

“Acceptance Date”	:	3 March 2020, being the latest date on which the Rights shares are accepted and paid for, which is a date falling not later than 15 days after the Posting Date (or such other date as the Bookrunner and the Company may agree from time to time in writing)
“Articles of Association”	:	the articles of association of the Company adopted pursuant to a written resolution passed by the then sole Shareholder on 5 July 2005, as amended from time to time
“Announcement”	:	the announcement of the Company dated 3 February 2020, among other things, the Rights Issue and the Placing Agreement
“Board”	:	the board of Directors
“Bookrunner”	:	KGI Asia Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the bookrunner appointed by the Company to place any Untaken Shares under the Placing Arrangement
“Business Day”	:	any day (excluding Saturdays and Sundays) on which banks generally are open for business in Hong Kong
“CCASS”	:	the Central Clearing and Settlement System established and operated by HKSCC
“Chi Capital”	:	Chi Capital Holdings Ltd, a company incorporated under the laws of British Virgin Islands with limited liability, which is wholly owned by Mr. Wong Chau Chi, the chief executive officer, an executive Director of the Company and the chairman of the Board, being a substantial Shareholder holding 39,003,500 Shares as at the Latest Practicable Date
“Companies Law”	:	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands

---

## DEFINITIONS

---

“Companies Ordinance”	:	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, with effect from 3 March 2014, as amended and supplemented from time to time
“Companies (WUMP) Ordinance”	:	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, with effect from 3 March 2014
“Company”	:	CMMB Vision Holdings Limited, a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Compensatory Arrangement”	:	the arrangement by which any premium over, the aggregate amount of (i) the Subscription Price for those Untaken Shares placed by the Bookrunner; and (ii) the expenses of the Bookrunner (including any other related expenses/fees), that is realised will be paid (without interest) on pro rata basis to the No Action Shareholders and Excluded Shareholders as set out in the section headed “Placing Arrangement” in this Prospectus
“connected person(s)”	:	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	:	has the meaning ascribed thereto under the Listing Rules
“Convertible Notes”	:	Hong Kong dollar denominated convertible notes in the principal amount of US\$96,000,000 issued by the Company to Chi Capital on 29 May 2018
“Director(s)”	:	the director(s) of the Company
“Excluded Shareholder(s)”	:	those Overseas Shareholders who, in the opinion of the Directors based on enquiry made in compliance with the Listing Rules, are necessary or expedient to be excluded from the Rights Issue on account of the legal restrictions under the laws or requirements of the relevant regulatory body or stock exchange in the places where such Overseas Shareholders reside

---

## DEFINITIONS

---

“Group”	:	the Company and its Subsidiaries
“HK\$”	:	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“HKSCC”	:	Hong Kong Securities Clearing Company Limited
“Independent Third Party/ies”	:	third party/ies and their ultimate beneficial owner(s) which is/are independent of the Company and their respective connected persons
“Irrevocable Undertaking”	:	means the undertaking granted by Chi Capital in favour of the Company, the terms of which are set out in the sub-section headed “Letter from the Board – Irrevocable Undertaking from Chi Capital” in this Prospectus
“Last Trading Day”	:	3 February 2020, being the last full trading day of the Shares on the Stock Exchange immediately before the release of the Announcement
“Latest Practicable Date”	:	12 February 2020, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained in this Prospectus
“Listing Committee”	:	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange
“No Action Shareholders”	:	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the provisional letters of allotment or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“NQS Unsold Rights Shares”	:	the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	:	those persons whose addresses as shown on the register of members of the Company on the Record Date are resident in a place outside Hong Kong

---

## DEFINITIONS

---

“Placing Agreement”	:	the placing agreement entered into, <i>inter alia</i> , between the Company and the Bookrunner dated 3 February 2020 in relation to the Rights Issue
“Placing Arrangement”	:	the placing arrangement for the Untaken Shares as described in the section headed “Placing Arrangement” in this Prospectus
“Posting Date”	:	the date on which the dispatch of the Prospectus Documents takes place, which is currently expected to be on or before 18 February 2020
“PRC”	:	the People’s Republic of China
“Prospectus”	:	this prospectus
“Prospectus Documents”	:	means the Prospectus and the Provisional Allotment Letter
“Provisional Allotment Letter(s)” or “PALS”	:	the provisional allotment letter in respect of the Rights Issue to be issued to the Qualifying Shareholders, in such a form to be agreed between the Company and the Bookrunner (it being acknowledged that this shall be based on a market standard precedent)
“Qualifying Shareholder(s)”	:	the persons shown on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	:	17 February 2020 (or such later date as announced by the Company), being the date by reference to which entitlements under the Rights Issue are expected to be determined
“Rights Issue”	:	the offer of the Rights Shares at the Subscription Price on the terms and subject to the conditions as set out in this Prospectus and the Provisional Allotment Letter
“Rights Shares”	:	up to 94,539,985 new Shares to be issued pursuant to the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares in issue on the Record Date
“Settlement Date”	:	4 March 2020, being the date being the first Business Day following the Acceptance Date

---

## DEFINITIONS

---

“SFC”	:	the Securities and Futures Commission of Hong Kong
“SFO”	:	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Options”	:	outstanding share options granted under the Share Option Scheme
“Share Options Scheme”	:	the share options scheme of the Company adopted on 18 December 2015
“Share Registrar”	:	the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Share(s)”	:	share(s) of HK\$0.20 each in the authorised share capital of the Company
“Shareholder(s)”	:	holder(s) of Share(s)
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“Subscription Price”	:	HK\$0.65 per Rights Share
“Subsidiaries”	:	has the meaning given to the term “subsidiary” in section 15 of the Companies Ordinance
“Unsubscribed Rights Shares”	:	the Rights Shares that are not subscribed by the Qualifying Shareholders
“Untaken Shares”	:	collectively, (i) the Unsubscribed Rights Shares, and (ii) NQS Unsold Rights Shares
“US”	:	the United States of America
“US\$”	:	US dollar, the lawful currency of US
“%”	:	per cent

---

## TERMINATION OF THE PLACING AGREEMENT

---

### TERMINATION OF THE PLACING AGREEMENT

The Bookrunner may by notice in writing to the Company given served at any time prior to 4:00 p.m. on the Settlement Date or such later time as the Company and the Bookrunner may agree as the latest time when the Bookrunner may terminate the Placing Agreement, terminate the Placing Agreement if any of the following grounds of termination happens:

- (i) there develops, occurs or comes into force:
  - (a) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
  - (b) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
  - (c) any change in conditions of local, national or international securities markets occurs; or
  - (d) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
  - (e) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere; or
  - (f) any litigation or claim being instigated against any member of the Group which would have a material adverse effect of the Group; or
  - (g) any suspension in the trading of Shares on the Stock Exchange for a continuous period of five Business Days; or



---

## TERMINATION OF THE PLACING AGREEMENT

---

- (h) any event of force majeure (being an event beyond the control of the Parties), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the Parties hereunder;
  
- (ii) if there is any breach of any of the representations, warranties or undertakings given by the Company as set out in this Placing Agreement or any event occurs or any matter arises on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and/or undertakings untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of this Placing Agreement; or
  
- (iii) there is any material adverse change in the financial or business or trading position of the Group taken as a whole; or
  
- (iv) there may or will be likely that the Untaken Shares will not be approved by the relevant regulatory bodies and/or regulatory authorities.

Upon the giving of notice pursuant to the Placing Agreement, all obligations of the Bookrunner under the Placing Agreement shall cease and determine and no party shall have any claim against the party in respect of any matter or thing arising out of or in connection with the Placing Agreement. If the Bookrunner exercises such right, the Rights Issue will not proceed.

---

## EXPECTED TIMETABLE

---

The expected timetable for the Rights Issue is set out below:

First day of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Thursday, 20 February 2020
Latest time for splitting of nil-paid Rights Shares . . . . .	4:30 p.m. on Monday, 24 February 2020
Last day of dealings in nil-paid Rights Shares . . . . .	Thursday, 27 February 2020
Latest time for acceptance and payment for the Rights Shares . . . . .	4:00 p.m. on Tuesday, 3 March 2020
Announcement of the number of Untaken Shares subject to the Placing Arrangement . . . . .	Wednesday, 4 March 2020
Latest time to terminate the Placing Agreement and for Rights Issue to become unconditional “ <b>Latest Time for Termination</b> ” . . . . .	4:00 p.m. on Wednesday, 4 March 2020
Commencement of placing of the Untaken Shares by the Bookrunner . . . . .	Thursday, 5 March 2020
Latest time of placing of the Untaken Shares by the Bookrunner . . . . .	Friday, 6 March 2020
Cease to place the Untaken Shares by the Bookrunner . . . . .	Monday, 9 March 2020
Announcement of the allotment results of the Rights Issue . . . . .	Tuesday, 10 March 2020
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lot of Shares . . . . .	9:00 a.m. on Wednesday, 11 March 2020
Refund cheques, if any, to be despatched (if the Rights Issue is terminated) . . . . .	on or before Wednesday, 11 March 2020

---

## EXPECTED TIMETABLE

---

Despatch of certificates for fully-paid

Rights Shares . . . . . on or before Wednesday, 11 March 2020

Commencement of dealings in fully-paid Rights Shares . . . . . 9:00 a.m. on Thursday,  
12 March 2020

Payment of Net Gain to relevant No Action

Shareholders and/or Excluded Shareholders . . . . . Thursday, 26 March 2020

Designated broker ceases to stand in the market to provide

matching services for the sale and purchase of odd lot of Shares . . . . . 4:00 p.m. on Tuesday,  
31 March 2020

*Notes:*

1. All times in this Prospectus refer to Hong Kong times.
2. The Company will make further announcement if there is any change to the above timetable. Dates or deadlines specified in this Prospectus for events in the above timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by the Company. Any changes to the anticipated timetable for the Rights Issue, if required, will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

### **EFFECT OF BAD WEATHER**

The latest time for acceptance of and payment for the Rights Shares will not take place at 4:00 p.m. on Tuesday, 3 March 2020 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning issued by the Hong Kong Observatory:

- (1) in force in Hong Kong at any time before 12:00 noon and no longer in force after 12:00 noon on the 3 March 2020. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (2) in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on the 3 March 2020. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on the currently scheduled date on 3 March 2020, the dates mentioned above may be affected. The Company will notify the Shareholders by way of announcements of any change to the expected timetable as soon as practicable in this regard.

---

LETTER FROM THE BOARD

---



CMMB  
VISION

**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)**

*Executive Director:*

Mr. WONG Chau Chi  
Dr. LIU Hui

*Non-executive Directors:*

Mr. YANG Yi  
Mr. CHOU Tsan-Hsiung

*Independent non-executive Directors:*

Dr. WANG Wei-Lin  
Dr. LI Shan  
Dr. LI Jun

*Registered office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of business  
in Hong Kong:*

Unit 1211, Level 12, Core F  
Cyberport 3  
100 Cyberport Road, Cyberport  
Hong Kong

18 February 2020

*To the Qualifying Shareholders and,  
for information purposes only, to the Excluded Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY TWO EXISTING SHARES  
HELD ON THE RECORD DATE AT HK\$0.65 PER RIGHTS SHARE  
ON A NON-UNDERWRITTEN BASIS  
AND  
POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS  
UNDER THE SHARE OPTION SCHEME**

**INTRODUCTION**

Reference is made to the Announcement in relation to, among other things, the Rights Issue and the possible adjustment to the Share Options under the Share Option Scheme.

---

## LETTER FROM THE BOARD

---

As mentioned in the Announcement, subject to the satisfaction of certain conditions, the Company proposed to raise approximately HK\$61 million before expenses by way of issue of 94,539,985 new Shares pursuant to the Rights Issue on the basis of one Rights Share for every two Shares in issue on the Record Date at the Subscription Price of HK\$0.65 per Rights Share. On the basis of provisional allotment of one Rights Share for every two Shares held on the Record Date, the amount of fractional entitlements to the Rights Shares under the Rights Issue is not expected to be material. The net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$60 million, assuming that none of the Share Options are exercised and there will not be any further issue of new Shares or repurchase of Shares on or before the Record Date. In accordance with Rule 7.19A of the Listing Rules, as the Rights Issue will not increase the issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders at a general meeting by way of poll.

The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options under the Share Option Scheme. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

The purpose of this Prospectus is to give you further details of (i) the Rights Issue and the Placing Agreement, including procedures for the acceptance of and payment for the Rights Shares and certain financial information and other information in respect of the Company; and (ii) possible adjustment to the Share Options under the Share Option Scheme.

### **RIGHTS ISSUE**

#### **Issue statistics**

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) existing Shares held at the close of business on the Record Date
Subscription Price	:	HK\$0.65 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	189,079,970 Shares
Number of Rights Shares	:	up to 94,539,985 new Shares to be issued pursuant to the Rights Issue (assuming no change in the number of issued Shares on or before the Record Date and full subscription under the Rights Issue)

---

## LETTER FROM THE BOARD

---

Enlarged issued share capital upon completion of the Rights Issue : up to 283,619,955 Shares (assuming no change in the number of issued Shares on or before the Record Date and full subscription under the Rights Issue)

As at the Latest Practicable Date, save as (i) the Share Options granted under the Share Option Scheme of the Company entitling the holders to subscribe for a total of 2,747,844 Shares upon full exercise of such options; and (ii) the Convertible Notes issued by the Company to Chi Capital which will require the Company to allot and issue 84,390,000 Shares upon conversion in full, the Company had no outstanding warrants, options, derivatives or securities convertible into or exchangeable for Shares.

The maximum number of Rights Shares to be issued pursuant to the terms of the Rights Issue together represent 50% of the existing issued share capital of the Company and 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

**The Rights Issue is on a non-underwritten basis. Pursuant to the Company's constitutional documents and the Companies Law, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.**

**In the event the Rights Issue is undersubscribed, any Rights Shares not taken up will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.**

### Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

- (i) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents, each duly certified by the Directors (or by their agents duly authorised in writing) on or before Posting Date in compliance with the Companies (WUMP) Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the Listing Rules;
- (ii) the posting of copies of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped "For Information Only" to the Excluded Shareholders, if any, for information purpose only; and

---

## LETTER FROM THE BOARD

---

- (iii) the Listing Committee of the Stock Exchange agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on 4 March 2020, the Rights Issue will not proceed.

### **Closure of register of members**

The register of members of the Company will be closed from Tuesday, 11 February 2020 to Monday, 17 February 2020 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of any issued Shares of the Company will be registered during this period.

### **Subscription Price**

The subscription price of HK\$0.65 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment under the Rights Issue or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 5.80% to the closing price of HK\$0.690 per Share as quoted on the Stock Exchange on 3 February 2020, being the date of the Announcement;
- (ii) a discount of approximately 12.87% to the average closing price of HK\$0.746 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 31 January 2020;
- (iii) a discount of approximately 8.96% to the theoretical ex-rights price of approximately HK\$0.714 per Share based on the average closing price of HK\$0.746 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 31 January 2020;
- (iv) a discount of approximately 93.18% to the consolidated net asset value per Share of approximately HK\$10.261 (based on the consolidated net asset value of the Company as at 30 June 2019 of approximately US\$249,709,000 and the number of issued Shares, which is 189,079,970).

---

## LETTER FROM THE BOARD

---

- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 4.29% of the theoretical diluted price of HK\$0.714 per Share to the benchmarked price of approximately HK\$0.746 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.69 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.746 per Share).

The Board has observed the deep discount mentioned in (iv) above. Nevertheless, taking into account the fact that the Shares were traded at a discount to the net asset value per Share over the 12-month period up to and including the Last Trading Day ranging from approximately 77.00% to 93.96%, with an average of approximately 88.55%, the Board is of the view that the net asset value per Share may not be a meaningful reference to determine the Subscription Price.

The Subscription Price was determined with reference to the recent market prices of the Shares and market conditions. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to the relevant shareholding in the Company held on the Record Date. The Directors consider the Subscription Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.639.

### **Status of the Rights Shares**

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects among themselves and with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of the allotment of the Rights Shares in their fully-paid forms.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Share Registrar at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by not later than 4:30 p.m. on Monday, 10 February 2020. It is expected that the last day of dealings in Shares on a cum-rights basis is Thursday, 6 February 2020 and Shares will be dealt with on an ex-rights basis from Friday, 7 February 2020.



---

## LETTER FROM THE BOARD

---

The Qualifying Shareholders who take up their pro rata entitlement in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

The Company will post on the Posting Date copies of the Prospectus Documents to the Qualifying Shareholders.

### Excluded Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. There were a total of eleven (11) Overseas Shareholders located in the PRC, Taiwan, the US and the British Virgin Islands as at Record Date with the following shareholding structure:

<b>Jurisdiction</b>	<b>Number of Overseas Shareholder(s)</b>	<b>Aggregate number of ordinary Shares held by Overseas Shareholder(s) in the jurisdiction</b>	<b>Approximate percentage of shareholdings</b>
British Virgin Islands	2	488,088	0.258%
Taiwan	1	22,400	0.012%
US	4	1,458,072	0.771%
PRC	4	291,078	0.154%

The Directors have, in compliance with Rule 13.36(2)(a) of the Listing Rules, sought legal advice regarding any legal restrictions under the laws of the relevant jurisdiction and the requirements of the relevant regulatory body or stock exchange.

Based on the legal advice provided by the legal advisers on the laws of the British Virgin Islands and Taiwan, the Directors are of the view that the Rights Shares can be offered to the Overseas Shareholders in these jurisdictions as there are no legal restrictions or there are exemptions on the offering of the Rights Shares to these Overseas Shareholders.

---

## LETTER FROM THE BOARD

---

Based on the legal advice obtained, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders in the PRC and the US. This is because in accordance with the relevant laws and regulations in the PRC and the US, offering Rights Shares to Overseas Shareholders in the PRC and the US, respectively, will require filing and registration of the relevant offering documents with the China Securities Regulatory Commission and the U.S. Securities and Exchange Commission, respectively, and will be subject to the approval by these authorities. The Company estimated that it will not be able to complete the necessary procedures involved in offering the Rights Issue to Shareholders in the PRC and the US before the completion date contemplated under the current timetable of the Right Issues. Given that Shares held by the Excluded Shareholders represented less than 1% of the Company's issued share capital as at the Record Date, the Directors considered that it is necessary or expedient to exclude the Excluded Shareholders from the Rights Issue in order for the vast majority of the Shareholders of the Company to participate in the Rights Issue without undue delay.

It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of this prospectus or the Provisional Allotment Letter outside Hong Kong and wishing to take up the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest dollar) to the relevant Excluded Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

Any unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Bookrunner under the Placing Arrangement together with the Unsubscribed Rights Shares.

---

## LETTER FROM THE BOARD

---

The proceeds of the sales as described above, less expenses and in the case of being sold by the Bookrunner, also less the Subscription Price, will be paid pro rata (but rounded down to the nearest dollar) to the relevant Excluded Shareholders to their shareholdings held on the Record Date in Hong Kong dollars, in the case of being sold by the Bookrunner, to be pro rata together with the No Action Shareholders on the basis of all NQS Unsold Rights Shares and Unsubscribed Rights Shares.

For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

### PROCEDURES FOR APPLICATION AND PAYMENT FOR THE RIGHTS SHARES

Qualifying Shareholders will find enclosed with this Prospectus a Provisional Allotment Letter which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the Provisional Allotment Letter, they must lodge the Provisional Allotment Letter in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Share Registrar by no later than 4:00 p.m. on 3 March 2020. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**CMMB Vision Holdings Limited – Rights Issue Account**" and crossed "**Account Payee Only**".

It should be noted that unless the duly completed Provisional Allotment Letter, together with the appropriate remittance, has been received by the Share Registrar by 4:00 p.m. on 3 March 2020, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the Provisional Allotment Letters or to transfer their rights to more than one person, the original Provisional Allotment Letters must be surrendered and lodged for cancellation by no later than 4:30 p.m. on 24 February 2020 with the Share Registrar who will cancel the original Provisional Allotment Letters and issue new Provisional Allotment Letters in the denominations required, which will be available for collection at the Share Registrar after 9:00 a.m. on the second Business Day after the surrender of the original Provisional Allotment Letters.

---

## LETTER FROM THE BOARD

---

The Provisional Allotment Letter contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed Provisional Allotment Letters will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the Provisional Allotment Letter will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the Provisional Allotment Letter and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. Completion and return of the Provisional Allotment Letter with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any Provisional Allotment Letter in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of the Prospectus Documents in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/its behalf an application for the Rights Shares to satisfy himself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. Completion and return of the Provisional Allotment Letter by anyone outside Hong Kong will constitute a warranty and representation to the Company that all these local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the Provisional Allotment Letter and any acceptance of it, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. No application for the Rights Shares will be accepted from any person who is an Excluded Shareholder.

No receipt will be given in respect of any application monies received.

---

## LETTER FROM THE BOARD

---

If the Bookrunner exercises the rights to terminate the Placing Agreement or if the conditions of the Rights Issue are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

### **Fractional entitlement to the Rights Shares**

Based on the register of members of the Company as at the date of this Prospectus, the amount of fractional entitlements to Rights Shares is not expected to be material. Accordingly, the Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

### **Placing Arrangement**

In order to maximize the funds to be raised from the Rights Issue by maximizing subscription for the Rights Shares, the Company entered into the Placing Agreement with the Bookrunner and appointed the Bookrunner to place the Untaken Shares to independent places on a best effort basis after the number of Untaken Shares that are subject to the Placing Arrangement has been announced.

Pursuant to the Rights Issue, Rights Shares will first be allocated to Qualifying Shareholders who have applied for Rights Shares pursuant to the PALs. Any (i) Rights Shares which have not been taken up by the Qualifying Shareholders through the PALs, and (ii) Rights Shares which would otherwise have been allotted to the Excluded Shareholders and the nil-paid form of which have not been sold by the Company, will constitute Untaken Shares and will be available for placing to independent places by the Bookrunner pursuant to the Placing Arrangement. The particulars of the Placing Agreement are set out in the section headed “Placing Agreement” in this Prospectus. Any premium over, the aggregate amount of (i) the Subscription Price for those Untaken Shares placed by the Bookrunner; and (ii) the expenses of the Bookrunner (including any other related expenses/fees), that is realised (the “**Net Gain**”) will be paid (without interest) on pro rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders and the Excluded Shareholders (but rounded down to the nearest dollar) as set out below (the “**Compensatory Arrangement**”):

- A. where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (C) below);

---

## LETTER FROM THE BOARD

---

- B. where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (C) below);
- C. if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to that Overseas Shareholders.

Any Untaken Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

It is proposed that Net Gain to any No Action Shareholder or Excluded Shareholder of HK\$100 or more will be paid to them in Hong Kong Dollars (rounded down to the nearest dollar) only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

### **The Placing Agreement**

On 3 February 2020 (after trading hours), the Company and the Bookrunner entered into the Placing Agreement, pursuant to which the Bookrunner has conditionally agreed to procure independent placees, on a best effort basis, to place the Untaken Shares. Details of the placing arrangement are as follows:

Date: 3 February 2020

Bookrunner: KGI Asia Limited was appointed as a bookrunner to place the Untaken Shares on a best effort basis.

The Bookrunner confirmed that it is independent of and not connected with the Company and its connected person and not a connected person of the Company.

Fees and expenses: A fixed fee of HK\$150,000 and reimbursed for the expenses in relation to the placing (including but not limited to all out-of-pocket expenses actually incurred by the Bookrunner for placing the Untaken Shares), which the Bookrunner is authorized to deduct from the payment to be made by the Bookrunner to the Company at the Placing Completion Date.

---

## LETTER FROM THE BOARD

---

Placing price of the Untaken Shares:	<p>The placing price of the Untaken Shares shall be no less than the Subscription Price.</p> <p>The final price determination is depended on the demand and market conditions of the Untaken Shares during the process of placement.</p>
Placees:	<p>The Untaken Shares are expected to be placed to placees, who and whose ultimate beneficial owners, shall be Independent Third Parties.</p>
Ranking of the Untaken Shares:	<p>The Untaken Shares (when placed, allotted, issued and fully paid) shall rank <i>pari passu</i> in all respects among themselves and with the Shares in issue as at the date of the completion of the Placing Arrangement.</p>
Completion of the Placing:	<p>11 March 2020 or such other date as the Company and the Bookrunner may agree in writing (the “<b>Placing Completion Date</b>”).</p>

### **Termination of the Placing Agreement**

The Bookrunner may terminate the Placing Agreement without any liability to the Company, by notice in writing given by the Bookrunner to the Company at any time prior to the Latest Time of Termination (or such other date as the Company and the Bookrunner may agree in writing) upon the occurrence of the following events which, in the absolute opinion of the Bookrunner, has or may have an adverse material effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

- (i) there develops, occurs or comes into force:
  - (a) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; or

---

## LETTER FROM THE BOARD

---

- (b) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
  - (c) any change in conditions of local, national or international securities markets occurs; or
  - (d) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
  - (e) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere; or
  - (f) any litigation or claim being instigated against any member of the Group which would have a material adverse effect of the Group; or
  - (g) any suspension in the trading of Shares on the Stock Exchange for a continuous period of five Business Days; or
  - (h) any event of force majeure (being an event beyond the control of the Parties), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the Parties hereunder;
- (ii) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Bookrunner or any event occurs or any matter arises on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
  - (iii) there is any material adverse change in the financial or business or trading position of the Group taken as a whole; or
  - (iv) there may or will be likely that the Untaken Shares will not be approved by the relevant regulatory bodies and/or regulatory authorities.



---

## LETTER FROM THE BOARD

---

### Conditions Precedent of the Placing Agreement

The obligations of the Bookrunner under the Placing Arrangement are conditional upon the following conditions:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (ii) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Posting Date;
- (iv) the representations, warranties and undertakings given by the Company under the Placing Agreement being true, accurate and not misleading in all material respects on and as of the date of the Placing Agreement and at any time before the Latest Time for Termination;
- (v) the Irrevocable Undertaking having been duly executed by Chi Capital and delivered to the Bookrunner upon signing of the Placing Agreement and the compliance with and performance of all the undertakings and obligations of Chi Capital under the Irrevocable Undertaking;
- (vi) the Placing Agreement not being terminated on or before the Latest Time for Termination.

The conditions precedent set out in paragraphs (i) to (vi) above are incapable of being waived by the Bookrunner and/or the Company.

If the conditions precedent set out in above paragraphs are not satisfied (or, if applicable, waived in whole or in part by the Bookrunner) on or prior to the Business Day immediately preceding the Placing Completion Date or such later date as may be agreed between the Company and the Bookrunner and approved by the Stock Exchange, the Placing Agreement shall terminate and none of the parties shall have any claim against another for costs, damages, compensation or otherwise save in respect of any antecedent breaches of the Placing Agreement.

---

## LETTER FROM THE BOARD

---

The engagement between the Company and the Bookrunner of the Untaken Shares was determined after arm's length negotiation between the Bookrunner and the Company and is on normal commercial terms. In particular, the amount of placing fee was determined by reference to the range of fixed placing fees paid by listed issuers on the Stock Exchange to placing agents for placing unsubscribed rights shares on a best effort basis in rights issue transactions between March 2019 and December 2019, (i.e. ranging from HK\$100,000 to HK\$150,000). The placing fee thus falls within the range of the market practice.

Taking into account the recent relatively volatile market conditions and the Company's assessment of the Bookrunner's capability to place the Rights Shares based on its track record of placement of the Company's securities (for instance, the placing of Shares conducted by the Company in the past year) the Directors consider that the terms of Placing Agreement, including the placing fee, are justified, fair and reasonable.

Given that the Placing Arrangement would provide (i) a distribution channel of the Untaken Shares and (ii) a compensatory mechanism for the No Action Shareholders and Excluded Shareholders, the Directors considers that the Placing Arrangement is fair and reasonable and in the interest of the Company and its shareholders as a whole.

### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Untaken Shares will be placed to independent places under the Placing Arrangement. Any Untaken Shares remain not placed under the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Rights Issue is conditional upon the conditions set out in the section headed "Conditions of the Rights Issue" in this Prospectus. As the proposed Rights Issue is subject to conditions, it may or may not proceed. There is no minimum amount to be raised under the Rights Issue in order for the Rights Issue to proceed.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares and Share Options under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

---

## LETTER FROM THE BOARD

---

### **Odd lot matching services**

In order to alleviate the difficulties arising from the existence of odd lots of Rights Shares arising from the Rights Issue, the Company will arrange the odd lots matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Rights Shares to make up a full board lot, or to dispose of their holdings of odd lots of the Rights Shares during the period from Wednesday, 11 March 2020 to Tuesday, 31 March 2020. Shareholders who wish to take advantage of this service should contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or at telephone number (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period. Shareholders should note that successful matching of the sale and purchase of odd lots of the Rights Shares is not guaranteed. Shareholders who are in doubt about this service are recommended to consult their professional advisors.

### **Application for Listing of the Right Shares**

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 4,000 Shares in one board lot.

It is expected that the Rights Shares will be dealt with in their nil-paid form from 20 February 2020 to 27 February 2020. Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and any other applicable fees and charges in Hong Kong.

Subject to the grant of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted into CCASS.

### **Share certificates for the Rights Issue and refund cheques**

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by 11 March 2020, by ordinary post, at their own risk, to their registered addresses.

---

## LETTER FROM THE BOARD

---

### **Irrevocable Undertaking from Chi Capital**

As at the date of this Prospectus, Chi Capital, which was interested in 39,003,500 Shares representing approximately 20.63% of the existing issued Shares, has irrevocably undertaken to the Company:

- (a) to subscribe or procure the subscription of the 19,501,750 Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares beneficially owned by Chi Capital pursuant to the terms of the Rights Issue;
- (b) that the Shares beneficially owned by Chi Capital referred to in paragraph (a) above will remain registered in the name of Chi Capital at the close of business on the Record Date as they are on the date hereof;
- (c) to procure that the acceptances in full in respect of the aforesaid Rights Shares provisionally allotted to Chi Capital and/or its nominees shall be lodged with the Share Registrar or the Company, with payment in full therefor in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by no later than 4:00 p.m. on the Acceptance Date or such later date as the Company may agree;
- (d) that Chi Capital shall not, and shall procure that (so far as reasonably possible) companies controlled by Chi Capital do not, dispose of or transfer any Shares, or any interests therein from the date hereof up to and including two Business Days after the Acceptance Date; and
- (e) that Chi Capital shall not convert the whole nor any part of the Convertible Notes into Shares at any time prior to the completion of the Rights Issue.

In the event that Chi Capital should fail to comply with the undertakings given above, Chi Capital irrevocably authorise the Company in its discretion to treat this undertaking as Chi Capital's acceptance of such of the Rights Shares provisionally allotted to Chi Capital on the terms of the Prospectus Documents (save as regards the time for acceptance and payment), to allot and issue the same in the name of Chi Capital and to procure the registration of the same in the name of Chi Capital.

Based on the Irrevocable Undertaking of Chi Capital, the number of Rights Shares to be taken up by Chi Capital will be subject to the aggregate shareholding of Chi Capital and parties acting in concert with it not exceeding 29.99% of the total issued share capital of the Company immediately after completion of the Rights Issue.

---

## LETTER FROM THE BOARD

---

### **Fund raising methods comparison**

The Board has considered other alternative means of fund raising, such as debt financing/ bank borrowings and placing of new Shares, before resolving to the Rights Issue. The Company has considered the pros and cons of different fund-raising options. In respect of debt financing, the Company has approached commercial banks, but was unable to obtain any debt financing at terms acceptable to the Company due to the fact that (i) the commercial banks are not willing to finance the proposed business plans, including but not limited to margin financing; and (ii) other than the intangible assets and interests in an associate, the Group does not have any other significant assets as collaterals to obtain bank loans. Also, debt financing is not desirable at this stage as the expected finance costs for such substantial sum are high and additional borrowings will deteriorate the gearing position of the Group. The Company has also attempted to conduct equity fund raising by way of placement and/or subscription. However, through the agents appointed by the Company for such fund raising, the feedback from the investment community indicated that external investors were not receptive to equity fund raising which might be conducted by the Company at the prevailing market price of its shares.

In comparison, the Rights Issue is pre-emptive in nature, allowing Qualifying Shareholders to maintain their respective pro rata shareholding through their participation in the Rights Issue and the Qualifying Shareholders will also be entitled to enjoy the discount offered in the Rights Issue in priority to external investors. The Rights Issue allows the Qualifying Shareholders to reduce their respective interests in the shareholding of the Company by disposing their rights entitlements in the open market (subject to the market demand). As an open offer does not allow the trading of rights entitlements, rights issue is preferred. Accordingly, the Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

### Shareholding Structure of the Company

Set out below is the shareholding structures of the Company (i) as at the date of this Prospectus; and (ii) immediately after completion of the Rights Issue under various scenarios:

Assuming no further issue of new Shares on or before the Record Date:

	(i) As at the date of this Prospectus		(ii) Immediately upon completion of the Rights Issue			
	No. of Shares	Approx. %	(a) assuming full acceptance of all Rights Shares under the Rights Issue		(b) assuming no acceptance of Rights Shares other than the Irrevocable Undertaking	
			No. of Shares	Approx. %	No. of Shares	Approx. %
Chi Capital (Note 1)	39,003,500	20.63	58,505,250	20.63	58,505,250 <sup>2</sup>	28.05
Subscribers to be procured by bookrunner	-	-	-	-	-	-
Other public Shareholders	<u>150,076,470</u>	<u>79.37</u>	<u>225,114,705</u>	<u>79.37</u>	<u>150,076,470</u>	<u>71.95</u>
Total	<u>189,079,970</u>	<u>100.00</u>	<u>283,619,955</u>	<u>100.00</u>	<u>208,581,720</u>	<u>100.00</u>

*Notes:*

- These Shares are registered under the name of Chi Capital, the sole shareholder and sole director of which is Mr. Wong Chau Chi, the chief executive officer, an executive director of the Company and the chairman of the Board. Under the SFO, Mr. Wong Chau Chi was deemed to be interested in all the Shares held by Chi Capital.
- Based on the Irrevocable Undertaking of Chi Capital, the number of Rights Shares will be taken up by Chi Capital will be subject to the maximum percentage of 29.99% of the aggregate shareholding of Chi Capital and parties acting in concert with it immediately after completion of the Rights Issue.

The scenarios are for illustrative purpose only. Pursuant to the Placing Agreement, the Bookrunner undertakes on its best effort that it shall procure independent subscribers or purchasers to take up such number of Untaken Shares (a) as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with by the Company and (b) such that it and the subscribers or purchasers procured by it shall not, together with party(ies) acting in concert with each of them, become the controlling shareholder (as defined under the Listing Rules) of the Company upon completion of the Rights Issue.

---

## LETTER FROM THE BOARD

---

### **Principal business**

The Group is principally engaged in provision of Converged Mobile Multimedia Broadcasting (“**CMMB**”) business and trading of printed circuit boards (“**PCB**”):

1. CMMB business (digital broadcasting with advertising or capacity leasing): The Group owns a terrestrial TV station network in the United States where the Group engages in broadcasting digital TV and data services free-to-air to the general public in partnership with content providers and receives channel capacity leasing and advertising fees.
2. Trading of PCB materials.

### **Reasons for the Rights Issue and use of proceeds**

#### ***Needs for the proposed Rights Issue***

As stated in the interim report for the six months ended 30 June 2019, the total bank balances and cash as at 30 June 2019 have decreased to US\$1,601,000 (equivalent to approximately HK\$12.57 million); this balance further reduces over time.

The Company has the obligation to ensure a sufficient and healthy cash reserve for general working capital and key business development for the foreseeable future. Similar to past years, while the Group finances most of its business operation through the cash flow generated from its principal activities, it still requires additional fundraising activities to finance the shortfalls in its general working capital and capital expenditures for business development and investment projects. The Company raised total gross proceeds of HK\$148.8 million and HK\$150.1 million by share placements in 2018 and 2017, respectively. However, the total gross proceeds from share placements in 2019 was only HK\$29.2 million, reduced by 80.4% and 80.6% as compared with 2018 and 2017 respectively. The proceeds from share placements in 2019 are not sufficient to cover the market development and promotion expenses or investment projects. These expenditures are incurred year to year and our budget is developed based on the estimation by management with invoices and/or contracts as well as the actual amounts incurred in previous years.

#### ***General working capital of an associate:***

Silkwave Holdings Limited (“**SHL**”) is defined as the new-generation mobile multimedia provider dedicated to vehicles and mobile users. It is trying to provide audio-video-data multimedia services delivered through the L-band frequency based broadcast satellite in conjunction with terrestrial 4G and 5G cellular network, thus rendering a holistic mobile platform with unprecedented economies of scale and scope. Furthermore, it aims at deploying services in China, the world’s largest vehicle market.

---

## LETTER FROM THE BOARD

---

To implement the above, SHL's business and operating plan in China is as follows:

1. Development of satellite-4G/5G converged technology core technology protocols. This has been largely completed in 2018 and currently is adding on technology extension.
  - a. The technology standard development was done in partnership with the National Radio and Television Administration (“**NRTA**”), the ultimate regulator and operator of all broadcast media services in China, and Ministry of Industry Information Technology (“**MIIT**”), the ministry controls Internet communication and car industry.
  - b. As the network is a new type of delivery platform integrating broadcast with cellular network, new technology standard to enable industry support is necessary. In addition, as the technology is to be used in China for media and connected-cars, NRTA and MIIT involvement and ultimate approvals would be necessary. However, the ultimate approvals of the standard will only come until all trial phases are done, which will take another 6 months to a year.
2. Development of satellite-4G/5G converged network with mobile carriers in China. This has been completed in 2018, mainly with China Telecom.
3. Conducting technical trial services in China with industry partners and government agencies to validate technology and network infrastructure, which is an ongoing multi-phase process, involving equipment makers to develop device prototypes that adopt the converged technologies. This has started since 2017.
4. Working with car electronic makers to design-in the technology solutions (“**TM-BOX**”) into car infotainment devices to be installed into new car series. This has started last year and is on-going. Usually auto-OEMs started in-car design two to three years ahead of any launch of new cars into the market.
5. Conducting pre-commercial trial services, that is installing TM-BOX into tens to hundreds of thousands of cars or more with revenue generating commercial services. The process will accompany intense market development effort in preparation for eventual mass-market service rollout and heavy spending. We have yet to apply for such a license.
6. Procurement, launch and bring-in-use of a new satellite to replace the current AsiaStar with 100 times more power level and advanced features to support mass-market commercial service rollout. Launching mass market commercial rollout will require a full commercial license specifically under new satellite, which normally will be extended from the pre-commercial license upon launch of satellite.



---

## LETTER FROM THE BOARD

---

7. The funding need required under current phase of technical trial and related activities is estimated to be around HK\$80 million per year, mostly going to support satellite operating costs, staffing, engineering, market development efforts, and development of commercial prototype devices to entice auto-OEMs for installation. Such funding is expected to be coming from shareholders of SHL as it has been.
8. The funding need under the pre-commercial trial phase, and the procurement and launch of satellite as well as commencement of mass-market commercial rollout will require funding of entirely different order of magnitude, i.e., US\$600 million, of which US\$400 million will be for satellite making and launch, and US\$200 million will be for operating and commercial market development expenses. For such an amount SHL has engaged independent financial institution as a global financial advisor to raise from the capital market. The fund-raising effort has commenced in 2019. Fund-raising will likely be in stages accreting to the total amount. Without sufficient money raised in each stage, SHL will not launch commercial business as planned.
9. The challenge to SHL has been receiving approvals for the pre-commercial eventual commercial services under a new satellite, which include licenses on L-band satellite frequency landing rights issued by the Wireless Bureau of the MIIT, and satellite L-band media broadcasting license by NRTA. Such approvals greatly affect SHL's ability in obtaining funding from investors, as investors need to have assurance that SHL can legitimately operate commercial services in China. Such approvals, while requiring specific technical qualifications, such as development of technology standard, validation of network, support of ecosystem, and viability of market, which SHL over the past few years has labored through and largely met all hurdles, are primarily subject to political considerations. The satellite platform AsiaStar that SHL owns currently to provide trial services in China is deemed a US satellite, purchased from the US, and the future satellite under procurement "Silkwave-1" is expected to be a US satellite as well. The Sino-US trade war and relations in the past two years has created political and regulatory uncertainty whether a US-made satellite such as ours can be used for providing services in China. As a result, the progress of SHL's approvals for pre-commercial licenses and mass market commercial rollout under a new satellite has been slow.
10. Until pre-commercial license can be received, SHL cannot commence revenue-generating activities in China. That means our burnt rate is expected to continue to be around HK\$80 million per year.

---

## LETTER FROM THE BOARD

---

11. One alternative under considerations is we procure a China-made satellite for our new replacement satellite under planning, which could do away certain regulatory and political concerns and facilitate our license applications. Should such a plan reach fruition, which will take 6 – 12 months, we hope to have regulatory clearance and start pre-commercial business in China shortly after, and full commercial service three years after the new satellite is launched.
12. On the other hand, the Company is adopting the SHL satellite and technology platform on Maritime service outside of China, i.e., the South China Sea. Hence, our Maritime business plan is being put forth in full force. With the development of SHL in China, the technology and engineering can be transferred with low-cost to Hong Kong quickly which otherwise would be prohibitively expensive and arduous.

### ***Development of Maritime Project:***

During the year, the Company has identified certain investment projects, including but not limited to the potential investments in providing multimedia network service for the Greater Bay Area and the South China Sea (“**Maritime Project**”) (see also announcements of the Company dated 8 April 2019 and 4 November 2019) and renewable energy and financial technology business (see announcement of the Company dated 6 May 2019). Some of the projects are ready to commence but have been delayed as the Board considers the cash balance of the Company is low and the Company could not sustain its support for these projects. The Rights Issue would address the Company’s funding needs.

The Maritime Project is to take advantage of the current bandwidth capacity of the AsiaStar L-band satellite operated under the Company’s associated company – SHL, which the Company has proprietary access to, as well as the vast multimedia connected- car technology ecosystem that the Company helped developed in China, to deliver mobile video, audio, and data services to fishing boats and commercial vessels at the South China Sea areas. The business model is selling satellite receiver devices with embedded upfront service subscription and later to be followed by monthly/quarterly/yearly subscriptions. The operating platform will be set up in Hong Kong. The service is unique as there is no comparable service in the maritime environment as convenient and low-cost as that of the Company’s.

---

## LETTER FROM THE BOARD

---

The cost required to launch and support the project will include the following:

1. Staffing. Hiring of a team of dedicated professionals performing tasks from engineering to programming, operation, to sales and marketing to provide end-to-end project management.
2. R&D on dedicated maritime devices for receiving satellite services in the sea environment. Such development albeit could take advantage of Company's prior technology capability for connected-cars, non-recourse engineering will be needed to adopt, convert, and modify from the existing technology to make new products.
3. Developing business operation support systems such as user service management system, user interface app and software, content aggregation system, programming encoding and encryption, headend equipment for transmitting services from Hong Kong to satellite, etc.
4. Hardware cost associated with manufacturing user devices for sale which will need to be pre-ordered.
5. Content acquisition. The Company would need to pay copy rights to acquire interesting audio, video, and third-party data content.
6. Operating expenses. The Company needs to pay for networking, bandwidth, logistics, and Cloud services.
7. Sales and marketing. Advertising, event hosting, travelling, website maintenance, and product sales related expenses will be needed.

In sum, the estimated cost for the first year will be about HK\$25 million. Revenue is expected to start being generated toward the year of 2021.

### ***Allocation of the proceeds from Rights Issue***

The estimated gross proceeds from the Rights Issue will be approximately HK\$61 million (assuming no further issue or repurchase of Shares on or before the Record Date and that the Rights Issue will be fully subscribed). The estimated net proceeds from the Rights Issue after expenses and fees, will be approximately HK\$60 million and are intended to be used on the following matters:

- (a) approximately HK\$35 million, 58.33% of net proceeds, towards general working capital of the Group as specified below:
  - (1) approximately HK\$3 million towards administrative and other expenses, including but not limited to office rent, salaries and allowances and legal and professional fees;

---

## LETTER FROM THE BOARD

---

- (2) approximately HK\$16 million towards market development and promotion expenses;
  - (3) approximately HK\$16 million towards general working capital of an associate; and
- (b) Approximately HK\$25 million, 41.67% of net proceeds, towards the development of the Maritime Project.

In the event that the Rights Issue is not fully subscribed and any Untaken Share(s) is not placed to independent placees such that the size of the Rights Issue is reduced, the amount of net proceeds allocated to the abovementioned uses will be reduced on a pro rata basis according to the actual level of subscription of the Rights Issue.

### ***Details of the proposed use of proceeds***

Administrative and other expenses: The actual administrative expenses and other expenses incurred for the year ended 31 December 2018 were US\$2.03 million and US\$1.31 million respectively, totalling US\$3.34 million and for the six months ended 30 June 2019 were US\$1.08 million and US\$0.2 million respectively. The proposed use of net proceeds of approximately HK\$3 million towards administrative and other expenses is budgeted to maintain liquidity in the working capital.

Market development and promotion expenses: The actual market development and promotion expenses incurred for the year ended 31 December 2018 and the six months ended 30 June 2019 were US\$4.06 million and US\$1.03 million respectively. The proposed use of net proceeds of HK\$16 million towards market development and promotion expense is determined based on the estimation by management with reference to the actual amounts incurred in previous years plus contracted research and development projects as follows:

	<i>US\$</i>	<i>HK\$</i>
Market development and promotion expenses	1,159,000	9,000,000
R&D commitments with the CMMB Vision-UW Centre <sup>(note 1)</sup>	450,000	3,500,000
R&D commitments in joint laboratories in China <sup>(note 1)</sup>	450,000	3,500,000
 Total budget	 2,059,000	 16,000,000

---

## LETTER FROM THE BOARD

---

*Note:*

- The Company has established the CMMB Vision – UW Center on Satellite Multimedia and Connected Vehicles in the US to develop satellite networking, multimedia, smart connected vehicles and artificial intelligence/machine learning technologies. The Group’s China joint-venture, Global Vision Media Technology Co., Ltd (“**Global Vision**”), has also established two joint laboratories in Chengdu, China dedicated to develop satellite-LTE integrated multimedia services, focusing on technologies for satellite connected-car multimedia. The Group has respectively committed investments to these R&D facilities, namely to hire and fund the research teams. Progress payments to these commitments have been partially settled and remaining payments are intended to be funded by the proceeds from the Rights Issue. Please refer to the announcements of the Company dated 12 September 2017 and 21 November 2017 for details of these R&D projects.

General working capital of an associate: The Company completed the acquisition in 20% of the issued share capital of SHL in 2018. SHL is under development stage and has not generated any revenue to fund its operations. As such, the shareholders are required to contribute to SHL’s general working capital on a pro rata basis. The Company expects to finance a portion of SHL’s operation through shareholder loans. The proposed use of net proceeds of approximately HK\$16 million towards the general working capital of an associate will be as follows:

	<i>US\$</i>	<i>HK\$</i>
China operating expenses <sup>(note 1)</sup>	6,950,000	54,000,000
Satellite related expenses <sup>(note 2)</sup>	2,059,000	16,000,000
Professionals and consultants’ expenses <sup>(note 3)</sup>	<u>1,287,000</u>	<u>10,000,000</u>
 Total budget for SHL	 <u>10,296,000</u>	 <u>80,000,000</u>
 20% share of interest in the SHL’s budget by the Company	 <u>2,059,000</u>	 <u>16,000,000</u>

*Notes:*

- China operating expenses include staff costs, office expenses, office rent, research and development, system testing and modification, development of commercial prototype devices to entice auto-OEMs for installation, content royalty fees, maintenance costs and market development efforts etc.
- Satellite related expenses mainly include overseas satellite uplink facilities, satellite management fee, internet charges and relevant maintenance costs etc.
- Professionals and consultants’ expenses include market research, technical due diligence, financial advisory fees, legal and professional fees, etc.

---

## LETTER FROM THE BOARD

---

The Company acknowledges that the provision of such financial assistance to SHL may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and/or a connected transaction of the Company under Chapter 14A of the Listing Rules. The Company will comply with the relevant requirements under the Listing Rules in connection with any agreement to provide such financial assistance.

In the event that the Company fails to obtain the necessary consent and approval for the provision of financial assistance to SHL or such provision of financial assistance otherwise could not materialise, the Company will reallocate this portion of the proceeds and will disclose the details by a separate announcement in due course.

The Company did not provide any support to SHL on its capital commitment which they have engaged financial institutions to run fundraising exercise on its behalf and has not been completed.

Development of the Maritime Project: Earlier in the year, the Company has announced that it is developing a maritime satellite multimedia service for the South China Sea, which includes the Greater Bay Area and the Southern China Sea. The business is to target the millions of fishing boats, commercial freighters and cruise liners and the operators and passengers aboard these vessels. The area covers 9 million square miles and will be serviced by our AsiaStar satellite. This project aims to deploy our existing assets, technology and ecosystem of partners to market services over the maritime area as a business. The trial of such business is underway and commercial services could start in 2020 to 2021. The proposed use of net proceeds of approximately HK\$25 million towards this project will be as follows:

	<i>US\$</i>	<i>HK\$</i>
Broadcast and network equipment, including front-end system, antennas and terminals <sup>(note 1)</sup>	1,287,000	10,000,000
Operating costs <sup>(note 2)</sup>	1,030,000	8,000,000
Content royalty fees <sup>(note 3)</sup>	515,000	4,000,000
Market development and promotional activities <sup>(note 4)</sup>	<u>386,000</u>	<u>3,000,000</u>
Total budget	<u><u>3,218,000</u></u>	<u><u>25,000,000</u></u>

*Notes:*

1. The broadcast and network equipment includes the front-end content aggregation, programming, and encryption equipment, satellite uplink facilities, maritime-tailored user terminals, multimedia (audio, video, data) smart engine, BOSS and digital rights management systems, service tests and maintenance costs.
2. The operating costs mainly include staff costs, office expenses, rent and customer service support, etc.

---

## LETTER FROM THE BOARD

---

3. The content royalty fees are estimated based on a service model with 8 visual and 10 radio channels. These services include live audio-video entertainment, weather reports, emergency alerts, operating on a 24/7 basis.
4. Market development and promotional activities include a user device subsidy during the initial launch phase, as well as selling and marketing expenses, commissions, etc.

The Maritime Project will be a validation of the Company's business model which showcases our technology to an international audience. It will be a testament of the business opportunities available beyond our initial investment in the vehicular multimedia infotainment technologies developed by SHL.

### ***Expected timeline for use of proceeds from the proposed Rights Issue:***

Based on the financial budget, the proposed use of proceeds expects to be utilized within one year to meet the financial obligations as they fall due in respect of the above proposed expenditures.

Assuming that none of the Share Options are exercised and there will not be any further issue of new Shares or repurchase of Shares on or before the Record Date, the gross proceeds from the Rights Issue are expected to be approximately HK\$61 million before expenses. The net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$60 million (equivalent to approximately US\$7.72 million). The proceeds of the Rights Issue will be used in the above manners.

In the event that any Share Options are exercised on or before the Record Date resulting in an increase in the net proceeds from the Rights Issue, our intended uses of proceeds set out above will be increased on a pro rata basis.

### **WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

**The Rights Issue is conditional on the Placing Agreement having become unconditional and not having been terminated (see the sub-section headed "Termination of the Placing Agreement" above). The conditions precedent to the Placing Agreement are set out in the sub-section headed "Conditions Precedent of the Placing Agreement" above. The Shares have been dealt with on an ex-rights basis from 7 February 2020 and Rights Shares will be dealt with in their nil-paid form from 20 February 2020 to 27 February 2020. If the Bookrunner exercises its right to terminate the Placing Agreement, the Rights Issue will not proceed.**

**Any buying or selling of Shares or Rights Shares between the Latest Practicable Date and the date the Rights Issue becomes unconditional is at an investor's own risk.**

---

## LETTER FROM THE BOARD

---

Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in Shares and nil-paid Rights Shares, and if they are in any doubt about their position, they should consult their professional advisers.

### POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options under the Share Option Scheme. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

### FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

Set out below is the fund raising activities of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
11 October 2019	Placing of 630,266,440 new shares under general mandate granted by the Shareholders at the AGM on 29 May 2019	Approximately US\$2,831,000	General working capital for operations and business development	Administrative and operations of US\$2,831,000
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

### REASONS OF THE CHANGE IN USE OF PROCEEDS FOR THE PAST PLACING

Pursuant to the terms and conditions of the convertible notes, the Company may, at any time prior to the maturity date, repay the whole or part only of the principal outstanding amount of the convertible notes together with the outstanding interest accrued thereon.

The Directors considered the Company's adjusted gearing ratio was up to 45.8% in 2018 (total loans to total assets, excluding interests in an associate) had negative impact on the Company's financial leverage to raise additional funds and therefore has reallocated certain net proceeds from placings on the repayment of the convertible notes so as to improve its financial position.



---

## LETTER FROM THE BOARD

---

The Directors considered the above changes in the use of net proceeds are fair and reasonable as the reallocation would allow the Company to deploy its financial resources more effectively to capture more fundraising opportunities and are therefore in the interests of the Group and the Shareholders as a whole. The Board is of the view that the reallocation is in line with the business strategy of the Group and will not adversely affect the operation and business of the Group. The Directors will continuously assess the business objectives of the use of net proceeds and may revise or amend such plans to cope with the changing market conditions where necessary.

For further details, please refer to the announcement of the Company dated 8 November 2019.

Save as abovementioned, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

### INFORMATION ON CHI CAPITAL

Chi Capital is a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Wong Chau Chi, the chief executive officer of the Company, the executive Director and the chairman of the Board. The principal business activity of Chi Capital is investment holdings.

At the Latest Practicable Date, other than approximately 20.63% interests in the issued share capital of the Company, Chi Capital does not hold or has control or direction over any other shares, rights over shares, convertible securities, warrants or options of the Company.

As at the Latest Practicable Date, save for the Placing Agreement, there was no arrangement or agreement to which Chi Capital is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Rights Issue (other than those listed under the section headed “Conditions Precedent of the Placing Agreement”) and/or the Placing Agreement.

### TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares and, as regards the Excluded Shareholders, their receipt of the net proceeds of sale of the Rights Shares in their nil-paid form otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of the holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

---

## LETTER FROM THE BOARD

---

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,  
By order of the Board  
**CMMB Vision Holdings Limited**  
**WONG Chau Chi**  
*Chairman*

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the years ended 31 December 2016, 2017 and 2018 are disclosed in the annual reports of the Company for the years ended 31 December 2016, 2017 and 2018, and the financial information of the Group for the six months ended 30 June 2019 are disclosed in the interim report of the Company for the six months ended 30 June 2019, respectively, which are published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<http://www.irasia.com/listco/hk/cmmmbvision/>).

The following is a summary of the audited financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018, as extracted from the relevant annual reports of the Company, and the financial information of the Group for the six months ended 30 June 2018 and 2019, as extracted from the relevant interim reports of the Company.

The Company's auditor, HLM CPA Limited, has not issued any qualified opinion on the Group's consolidated financial statements for the years ended 31 December 2016, 2017 and 2018.

	<b>For the year ended 31 December</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	(audited)	(audited)	(audited)
Revenue	6,470	7,034	6,089
Cost of sales	<u>(4,015)</u>	<u>(4,304)</u>	<u>(4,242)</u>
Gross profit	<u>2,455</u>	<u>2,730</u>	<u>1,847</u>
<b>Profit (loss) before tax for the year</b>	22,751	(6,256)	(16,737)
Income tax expense	<u>–</u>	<u>(187)</u>	<u>(59)</u>
<b>Profit (loss) for the year</b>	22,751	(6,443)	(16,796)
<b>Other comprehensive expense for the year</b>	<u>(122)</u>	<u>(205)</u>	<u>(28)</u>
<b>Total comprehensive income (expense) for the year, net of tax</b>	<u>22,629</u>	<u>(6,648)</u>	<u>(16,824)</u>

	For the year ended 31 December		
	2018	2017	2016
	US\$'000	US\$'000	US\$'000
	(audited)	(audited)	(audited)
<b>Profit (loss) for the year attributable to:</b>			
– Owners of the Company	24,808	(6,622)	(17,327)
– Non-controlling interests	<u>(2,057)</u>	<u>179</u>	<u>531</u>
	<u>22,751</u>	<u>(6,443)</u>	<u>(16,796)</u>
<b>Total comprehensive income (expense)</b>			
<b>for the year attributable to:</b>			
– Owners of the Company	24,686	(6,827)	(17,355)
– Non-controlling interests	<u>(2,057)</u>	<u>179</u>	<u>531</u>
Total comprehensive income (expense)			
for the year	<u>22,629</u>	<u>(6,648)</u>	<u>(16,824)</u>
	US\$	US\$	US\$
<b>Earnings (loss) per share</b>			
– Basic	<u>0.0094</u>	<u>(0.0032)</u>	<u>(0.0110)</u>
– Diluted	<u>0.0066</u>	<u>(0.0034)</u>	<u>(0.0110)</u>

	<b>For the six months ended 30 June</b>	
	<b>2019</b> <i>US\$'000</i> (unaudited)	<b>2018</b> <i>US\$'000</i> (unaudited)
Revenue	3,317	2,828
Cost of sales	<u>(2,075)</u>	<u>(1,836)</u>
Gross profit	<u>1,242</u>	<u>992</u>
<b>(Loss) profit before tax for the period</b>	(6,906)	40,492
Income tax expense	<u>(69)</u>	<u>–</u>
<b>(Loss) profit for the period</b>	(6,975)	40,492
<b>Other comprehensive income</b>		
Item that may be subsequently reclassified to profit or loss:		
– Exchange differences arising on translation	<u>170</u>	<u>114</u>
<b>Total comprehensive (expense) income for the period, net of tax</b>	<u>(6,805)</u>	<u>40,606</u>
<b>(Loss) profit for the period attributable to</b>		
– Owners of the Company	(7,033)	40,455
– Non-controlling interests	<u>58</u>	<u>37</u>
	<u>(6,975)</u>	<u>40,492</u>
<b>Total comprehensive (expense) income for the period attributable to:</b>		
– Owners of the Company	(6,863)	40,569
– Non-controlling interests	<u>58</u>	<u>37</u>
Total comprehensive (expense) income for the period	<u>(6,805)</u>	<u>40,606</u>
	<i>US\$</i>	<i>US\$</i>
<b>(Loss) earning per share</b>		
– Basic	<u>(0.0022)</u>	<u>0.0167</u>
– Diluted	<u>(0.0027)</u>	<u>0.0135</u>

Please see below quick link to the interim report of the Company for the six months ended 30 June 2019:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0912/ltm20190912381.pdf>

Please see below quick link to the annual reports of the Company for the year ended 31 December 2018:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0424/ltm201904241310.pdf>

Please see below quick link to the annual reports of the Company for the year ended 31 December 2017:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0426/ltm201804261591.pdf>

Please see below quick link to the annual reports of the Company for the year ended 31 December 2016:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0426/ltm201704261212.pdf>

## **2. INDEBTEDNESS**

### **Convertible Notes**

As at 31 December 2019, the Group had outstanding Convertible Notes due 2025 in the aggregate principal amount of US\$87,000,000 issued by the Company to Chi Capital on 29 May 2018.

### **Contingent liabilities**

As at 31 December 2019, neither the Group nor the Company has any significant contingent liabilities.

Save as disclosed above, the Group did not have any outstanding mortgages, charges, debt securities, term loans and overdrafts, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, other borrowings or indebtedness in the nature of borrowings or any guarantees or other material contingent liabilities as at the close of business on 31 December 2019.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

#### A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the "Unaudited Pro Forma Financial Information") has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 30 June 2019.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only and, based on the judgements, estimates and assumptions of the Directors, and because of the hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at the date to which it is made up or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2019 US\$'000 (note 1)	Estimated net proceeds from the Rights Issue US\$'000 (note 2)	Unadjusted pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after the completion of the Rights Issue US\$'000	Consolidated net tangible assets per Share attributable to the owners of the Company as at 30 June 2019 US\$ (note 3)	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company after the completion of the Rights Issue US\$ (note 4)
Based on 94,539,985 Rights Shares at a Subscription Price of HK\$0.65 per Rights Share	152,212	7,722	159,934	0.966	0.634

*Notes:*

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2019 is extracted from the published unaudited interim financial information for the six months ended 30 June 2019, which is equal to the unaudited consolidated net assets attributable to owners as at 30 June 2019 of US\$249,709,000 less intangible assets of US\$97,497,000 as at the same date.
2. The estimated net proceeds from the Rights Issue are based on 94,539,985 Rights Shares to be issued at the Subscription Price of HK\$0.65 each per Rights Share, after deduction of the related expenses, including among others, placing agency fee and other professional fees. The estimated net proceeds being HK\$60,000,000, is equivalent to approximately US\$7,722,000.
3. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2019 was US\$0.966, which was based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2019 of US\$152,212,000, divided by 157,566,648 consolidated Shares in issue as at 30 June 2019 which being adjusted for the effect of share consolidation completed on 12 November 2019.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share as at 30 June 2019 immediately after the completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of Rights Issue of approximately US\$159,934,000, divided by 252,106,633 shares which represents 157,566,648 consolidated Shares in issue as at 30 June 2019 which being adjusted for the effect of share consolidation completed on 12 November 2019 and 94,539,985 Rights Shares, assuming the Rights Issue has been completed on 30 June 2019.
5. Except for the share consolidation completed on 12 November 2019, no adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 30 June 2019.



*The following is the text of a report, prepared for the sole purpose of incorporation in this Prospectus and received from the independent reporting accountant, HLM CPA Limited, Certified Public Accountants, Hong Kong.*

**B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE GROUP**

恒健會計師行有限公司  
**HLM CPA LIMITED**  
Certified Public Accountants

Rooms 1501-8, 15th Floor, Tai Yau Building,  
181 Johnston Road, Wanchai, Hong Kong  
香港灣仔莊士敦道181號  
大有大廈15樓1501-8室  
Tel 電話: (852) 3103 6980  
Fax 傳真: (852) 3104 0170  
E-mail 電郵: info@hlm.com.hk

---

18 February 2020

The Board of Directors  
CMMB Vision Holdings Limited  
Unit 1211, Level 12, Core F, Cyberport 3  
100 Cyberport Road, Cyberport  
Hong Kong

Dear Sirs,

**Independent Reporting Accountants' Assurance Report on the Compilation of Unaudited  
Pro Forma Financial Information**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of CMMB Vision Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company (the "Director") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2019 and notes as set out in Appendix II of the prospectus issued by the Company dated 18 February 2020 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the rights issue of 94,539,985 shares on the basis of one (1) rights share for every two (2) existing shares held on the record date at HK\$0.65 per rights share (the "Rights Issue") on the Group's financial position as at 30 June 2019 as if the Rights Issue had taken place at 30 June 2019. As part of this process, information about the Group's unaudited consolidated net tangible assets of the Group attributable to the owners of the Company has been extracted by the Directors from the Group's unaudited condensed consolidated statement of financial position as at 30 June 2019, on which an unaudited interim report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" (the "AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) The unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**HLM CPA Limited**

*Certified Public Accountants*

Chan Lap Chi

Practising Certificate Number: P04084

Hong Kong

**RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

**SHARE CAPITAL**

The authorised and issued share capitals of the Company as at the Latest Practicable Date were, and immediately after completion of the Rights Issue will be, as follows:

	<i>HK\$</i> <i>(Nominal Value)</i>
Authorised share capital:	
25,000,000,000 Shares	5,000,000,000
Issued and fully paid share capital:	
189,079,970 Shares in issue	37,815,994
283,619,955 Shares in aggregate to be issued upon completion of the Rights Issue (assuming no further issue of new Shares on or before the Record Date and full subscription of the Rights Issue)	56,723,991

All the Shares in issue rank, *pari passu* in all respects with each other including rights to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with each other and the then existing Shares in issue in all respects including rights to dividends, voting and return of capital.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are or will be waived or agreed to be waived.

As at the Latest Practicable Date, save as (i) the Share Options granted under the Share Option Scheme of the Company entitling the holders to subscribe for a total of 2,747,844 Shares upon full exercise of such options; and (ii) the Convertible Notes issued by the Company to Chi Capital which will require the Company to allot and issue 84,390,000 Shares upon conversion in full, the Company had no outstanding warrants, options, derivatives or securities convertible into or exchangeable for Shares.

### **WORKING CAPITAL**

As at the Latest Practicable Date, the Directors, after due and careful consideration, were of the opinion that the Group will, taking into account the estimated net proceeds from the Rights Issue and the financial resource available to the Group, have sufficient working capital for its present operating requirements and for the next twelve months from the date of this Prospectus in the absence of unforeseeable circumstances.

### **BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS**

#### **The background of the Company's existing business model**

The principal activity of CMMB Vision Holdings Limited (the "Company") is investment holding whilst its subsidiaries are mainly engaged in provision of China Mobile Multimedia Broadcasting ("CMMB"), 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 US, situated over nine large metropolitan cities, including New York, Los Angeles, San Francisco, Dallas, Houston, Atlanta, Miami, Tampa and Richmond. 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. SHL 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.

### **Prospects**

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.

There are several factors which affect the trading 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.

## DIRECTORS

### Executive Directors

**Mr. WONG Chau Chi** ("Mr. Wong"), aged 55, was appointed as an executive director in May 2007. Mr. Wong is currently the chief executive officer of the Group and the chairman of the Board. Mr. Wong has extensive experiences in finance, technology and industrial management. He engineered the restructuring and reorganisation of Global Flex Holdings Limited, a manufacturing company, into CMMB Vision Holdings Limited, an investment holdings company for the development and operation of state-of-the-art technologies for convergent satellite-mobile multimedia broadcasting. Mr. Wong is also the founder and managing director of Chi Capital Holdings Ltd, a securities and private equity group and a director of SHL. He also worked as the business head for the derivatives and securities departments of Goldman Sachs, Citibank, and BNP Paribas, and the business and financial management departments of General Electric and McKinsey. Mr. Wong graduated from the Pomona College with a Bachelor of Arts degree in economics and international relations, as well as a degree in master of public policy ("MPP") from the Kennedy School of Government at Harvard University. He was also matriculated by the St. Antony's College at Oxford University for its political history program. Mr. Wong did not hold any position nor directorship in other listed companies in the three preceding years.

**Dr. LIU Hui** ("Dr. Liu"), aged 51, was appointed as a non-executive director in November 2009 and re-designated to an executive director in May 2011. Dr. Liu is currently the chief technology officer of the Group and the vice-chairman of the Board. Dr. Liu is also a director of SHL. Dr. Liu is one of the world's leading telecommunications engineers and inventors. He was the primary inventor of over 70 granted or pending telecommunications patents, including more than twenty patents in the core OFDMA technology that underlies LTE, Mobile WIMAX and CMMB. He architected CMMB, which had its inaugural launch at the 2008 Beijing Olympics and is now being used in 330 cities in the PRC. As an international renowned telecom expert, he is also one of the original designers of TD-SCDMA (China's self-developed ITU 3G standard) and a pioneer of OFDMA mobile networks. Dr. Liu holds a Bachelor of Science degree in electrical engineering from the Fudan University and a PhD degree from the University of Texas in Austin. He was a full professor/vicechair at the Department of Electrical Engineering of the University of Washington, and then the associate dean at the School of Electronic Information and Electrical Engineering of Shanghai Jiao Tong University. His research interests include broadband mobile networks, satellite communications, vehicular and IoT networks, and machine learning. He has received a number of awards, including a Fellow of IEEE (Communications Society), the 1997 National Science Foundation CAREER Award, the ONR Young Investigator Award, and the



Chinese Gold Prize Patent award for his contributions on the TD-SCDMA technology. Dr. Liu is representing the Company as a key member in the Next Generation Broadcasting-Wireless Working Group in China, which is the comprehensive next generation technology platform for CMMB and China's triple network convergence (i.e. internet, broadcasting, telecom) initiative. Dr. Liu did not hold any position nor directorship in other listed companies in the three preceding years.

#### **Non-executive Directors**

**Mr. CHOU Tsan-Hsiung** ("Mr. Chou"), aged 77, was appointed as an independent non-executive director in June 2005 and was subsequently re-appointed as a non-executive director in September 2005. Mr. Chou graduated with a Bachelor of Law degree from the National Chengchi University and is a member of the Taipei Bar Association. Mr. Chou is currently a practicing lawyer with the Best Truth Law Firm in Taiwan. Mr. Chou previously worked in the Legal Affairs Office of the Central Trust of China. Mr. Chou did not hold any position nor directorship in other listed companies in the three preceding years.

**Mr. YANG Yi** ("Mr. Yang"), aged 56, was appointed as a non-executive director in February 2007. Mr. Yang first graduated from the Beijing University with a Bachelor of Arts degree in International Politics in 1987 and was awarded a scholar of Japanese Education Ministry by the Tokyo University in the same year. In 1991, Mr. Yang was awarded a Master of Arts degree in Law & Diplomacy by the Fletcher School of Law and Diplomacy, which was jointly administrated by the Tufts University and Harvard University. Mr. Yang has over 28 years of experience in finance and human resources management. The major appointments and positions previously assumed by Mr. Yang include being a financial analyst at the fixed income division of J.P. Morgan Securities (Tokyo), a vice-president of human capital management at Goldman Sachs LLP (New York), a principal of executive search in the financial industry at Korn/Ferry International (Hong Kong) and a managing director of A.T. Kearney Management Consultancy (Hong Kong). At present, Mr. Yang is the director and founder of G Bridge Limited, a Hong Kong based human resources advisory firm. Mr. Yang did not hold any position nor directorship in other listed companies in the three preceding years.

**Independent non-executive Directors**

**Dr. WANG Wei-Lin** (“Dr. Wang”), aged 47, was appointed as an independent non-executive director in September 2005. Dr. Wang has obtained a degree in Juris Scientiae Doctoris (Doctor of Juridical Science) from the Washington University in St. Louis. Dr. Wang also graduated with a Master of Laws degree from the University of Pennsylvania and a bachelor’s degree in law from the National Cheng-Chi University. Dr. Wang is a certified attorney in Taiwan and the New York State of the United States of America. Dr. Wang is also a member of the Taipei Bar Association and American Bar Association. Dr. Wang is currently a full professor and chair at the Department of Financial Law in Ming Chuan University. Dr. Wang currently serves as an independent director of Young Fast Optoelectronics Co., Ltd., ANT Precision Industry Co., Ltd., Fuzetec Technology Co., Ltd., and FIT Holding Co. Ltd., four companies listed on the Taiwan Stock Exchange Corporation, and a remuneration committee member at WIN Semiconductors Corp. Dr. Wang had held a position of independent director at WIN Semiconductors Corp., one company listed on the Taiwan Stock Exchange Corporation, in the three preceding years. Save as aforesaid, Dr. Wang did not hold any position nor directorship in other listed companies in the three preceding years.

**Dr. LI Shan** (“Dr. Li Shan”), aged 56, was appointed as a non-executive director in October 2009 and re-appointed as an independent non-executive director in March 2010. Dr. Li Shan graduated from the School of Economics and Management at the Tsinghua University with a Bachelor of Science degree in Management Information Systems in 1986, from the University of California Davis with a Master of Arts degree in Economics in 1988, and from the Massachusetts Institute of Technology with a PhD degree in Economics in 1993. After graduation, Dr. Li Shan worked as an international economist for Goldman Sachs & Co. In 1995, he became an executive director of the investment research department at Goldman Sachs (Asia), and in 1997, he became an executive director of investment banking at Goldman Sachs International in London. From 1999 to 2001, Dr. Li Shan was the managing director and the head of China investment banking at Lehman Brothers. During 2001 to 2005, Dr. Li Shan was the chief executive officer for the Bank of China International Holdings (“BOCI”) in Hong Kong. Dr. Li Shan has over 26 years of experience in investment banking and related financial management. At present, Dr. Li Shan is a founding partner for San Shan (HK) Limited, an investment advisory company based in Hong Kong, the CEO of Silk Road Finance Corporation Limited, the vice-chairman of the Institute for Governance Studies at Tsinghua University. Dr. Li Shan was also a director for the NYSE-listed Fang.com. Save as aforesaid, Dr. Li Shan did not hold any position nor directorship in other listed companies in the three preceding years.

**Dr. LI Jun** (“Dr. Li Jun”), aged 58, was appointed as a non-executive director in June 2007 and re-designated to an independent non-executive director in May 2011. Dr. Li Jun obtained a doctorate degree for philosophy in political economy from the Oxford University in the United Kingdom. He was a senior manager and a director for a number of securities and investment companies in Hong Kong and had extensive experience in international financial markets. Dr. Li Jun is an independent non-executive director in Hengxin Technology Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Limited. Dr. Li Jun did not hold any position nor directorship in other listed companies in the three preceding years.

The business address of all Directors is at Unit 1211, Level 12, Core F, Cyberport 3, 100 Cyberport Road, Cyberport, Hong Kong.

None of the Directors or members of the senior management have any relationship with each other.

**CORPORATE INFORMATION**

<b>Registered office</b>	Cricket Square Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands
<b>Principal place of business of the Company in Hong Kong</b>	Unit 1211, Level 12, Core F Cyberport 3 100 Cyberport Road Cyberport Hong Kong
<b>Company secretary</b>	Ms. Chan Pui Yee Janice, FCCA and HKICPA
<b>Authorised representatives</b>	Mr. Wong Chau Chi Ms. Chan Pui Yee Janice Unit 1211, Level 12, Core F Cyberport 3 100 Cyberport Road Cyberport Hong Kong

<b>Auditor</b>	HLM CPA limited <i>Certified Public Accountants</i> Rooms 1501-8, 15th Floor, Tai Yau Building, 181 Johnston Road, Wanchai Hong Kong
<b>Principal share registrar and transfer agent</b>	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House, 24 Shedden Road George Town, Grand Cayman KY1-1110 Cayman Islands
<b>Hong Kong branch share registrar and transfer office</b>	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
<b>Principal bankers</b>	Hong Kong Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong

**PARTIES INVOLVED IN THE RIGHTS ISSUE**

<b>Bookrunner</b>	KGI Asia Limited 41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
<b>Legal adviser to the Company</b>	Luk & Partners, in Association with Morgan, Lewis & Bockius Suites 1902-9, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong

## DISCLOSURE OF INTERESTS

**Directors' and chief executive's interests in the Company**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

**Ordinary Shares**

<b>Name of Director</b>	<b>Capacity/nature of interest</b>	<b>Total number of ordinary shares held</b>	<b>Approximate percentage of interest</b>
Mr. Wong Chau Chi	Beneficial owner ( <i>Note</i> )	39,003,500	20.63%

*Notes:* These shares are registered under the name of Chi Capital Holdings Ltd ("Chi Capital"), a company wholly owned by Mr. Wong Chau Chi ("Mr. Wong") and he was the sole shareholder and director of Chi Capital; and Chi Capital Securities Limited, a wholly-owned subsidiary of Chi Capital. Under the SFO, Mr. Wong was deemed to be interested in all the shares held by Chi Capital and its subsidiary.

All the interests disclosed above represent long positions in the shares of the Company. Save as disclosed above, none of the Directors, chief executives of the Company or their associates had any interests or short positions, whether beneficial or non-beneficial, in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at the Latest Practicable Date as required to be recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

***Interests of substantial shareholders in the Company***

As at the Latest Practicable Date, the register of the Company's substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors or chief executives of the Company, the following shareholders of the Company had notified the Company of the relevant interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation.

Name of Shareholder	Capacity/nature of interest	Number of ordinary shares <i>(Note 1)</i>	Approximate percentage of interest
Chi Capital	Beneficial owner <i>(Note 2)</i>	36,915,500 (L)	19.53%
Chi Capital Securities Limited	Beneficial owner <i>(Note 2)</i>	2,088,000 (L)	1.10%
Mr. Wong	Beneficial owner <i>(Note 2)</i>	39,003,500 (L)	20.63%

*Notes:*

- The letter "L" denotes the persons' long positions in the shares of the Company.
- These shares are registered under the name of Chi Capital, a company wholly owned by Mr. Wong and he was the sole shareholder and director of Chi Capital; and Chi Capital Securities Limited, a wholly-owned subsidiary of Chi Capital. Under the SFO, Mr. Wong was deemed to be interested in all the share held by Chi Capital and its subsidiary.

Save as disclosed above, so far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or a chief executive of the Company) had or deemed or taken to have an interest or a short position in any shares, underlying shares or debentures of the Company or its associated corporations which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital.

**Interests in assets, contracts or arrangements**

None of the Directors or expert named in the paragraph headed “Qualification of expert” in this appendix has any direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up, and none of the Directors has any interests in contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Group taken as a whole.

**Service contracts**

There is no existing or proposed service contract between any member of the Group and any Director or proposed Director (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensations)).

**MATERIAL CONTRACTS**

The following contracts (being contracts entered into outside the ordinary course of business carried by the Group) had been entered into by members of the Group within the two years immediately preceding the date of this Prospectus and up to the Latest Practicable Date:

- (a) subscription agreement entered between the Company and not less than six subscribers (of which some of them are existing Shareholders holding an aggregate of approximately 20.76% of the existing issued share capital of the Company), being 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 (as defined in the Listing Rules) dated 3 April 2018, upon which the Company will issue and the subscribers have agreed to subscribe for an aggregate of 375,000,000 new Shares at the subscription price of HK\$0.24 per Share for an aggregate consideration of HK\$90,000,000;
- (b) subscription agreement entered between the Company and not less than six subscribers (of which some of them are existing Shareholders holding an aggregate of approximately 30.88% of the existing issued share capital of the Company), being 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 (as defined in the Listing Rules) dated 11 September 2018, upon which the Company will issue and the subscribers have agreed to subscribe for an aggregate of 459,140,625 new Shares at the subscription price of HK\$0.128 per Share for an aggregate consideration of HK\$58,770,000;

- (c) subscription agreement entered between the Company and not less than six subscribers (of which some of them are existing Shareholders holding an aggregate of approximately 19.64% of the existing issued share capital of the Company), being 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 (as defined in the Listing Rules) dated 11 January 2019, upon which the Company will issue and the subscribers have agreed to subscribe for an aggregate of 66,081,535 new Shares at the subscription price of HK\$0.108 per Share for an aggregate consideration of HK\$7,136,806;
- (d) subscription agreement entered between the Company and not less than six subscribers (of which some of them are existing Shareholders holding an aggregate of approximately 13.45% of the existing issued share capital of the Company), being 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 (as defined in the Listing Rules) dated 31 May 2019, upon which the Company will issue and the subscribers have agreed to subscribe for an aggregate of 630,266,540 new Shares at the subscription price of HK\$0.07 per Share for an aggregate consideration of HK\$44,118,658 The subscription agreement has lapsed on 14 June 2019;
- (e) subscription agreement entered between the Company and not less than six subscribers (of which some of them are existing Shareholders holding an aggregate of approximately 11.44% of the existing issued share capital of the Company), being 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 (as defined in the Listing Rules) dated 11 October 2019, upon which the Company will issue and the subscribers have agreed to subscribe for an aggregate of 630,266,440 new Shares at the subscription price of HK\$0.035 per Share for an aggregate consideration of HK\$22,059,325; and
- (f) the Placing Agreement.

**MATERIAL ADVERSE CHANGE**

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published audited financial statements of the Company were made up).



**LITIGATION**

As at the Latest Practical Date, the Group had potential litigation in US against the Company, among others. On 18 October 2019, Mr. HAMZA FAROOQUI (“Mr. Farooqui”) filed a claim against Silkwave Holdings Limited (“SHL”), the Company, Chi Capital Holdings Ltd, Mr. Wong Chau Chi (a director of the Company), Mr. Liu Hui (a director of the Company) and three other related parties of SHL 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 Latest Practical Date, the Superior Court of the District of Columbia, US granted motion for the extension of time to file proof of service. A settlement conference is currently scheduled on 8 May 2020 in Washington D.C., US.

As at the Latest Practicable Date, 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 and therefore no provision of the Claims was considered necessary.

**QUALIFICATION OF EXPERT**

The qualifications of the expert who has given opinions in this Prospectus is as follows:

<b>Name</b>	<b>Qualification</b>
HLM CPA Limited	Certified Public Accountants, Hong Kong

**Interests of expert in the Group**

The expert named in the paragraph headed “Qualification of expert” in this appendix does not have any shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group.

**CONSENT**

The expert named in the paragraph headed “Qualification of expert” in this appendix has given and has not withdrawn its respective written consent to the issue of this Prospectus with copies of its reports, valuation or letters (as the case may be) and the references to its name included herein in the form and context in which they are respectively included.

**GENERAL**

- (a) The English text of this Prospectus shall prevail over the Chinese text.
- (b) The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

**EXPENSES**

The expenses in connection with the Rights Issue, including underwriting commission, financial advisory fees, printing, registration, legal and accounting fees, are estimated to be approximately HK\$1.45 million and will be payable by the Company.

**DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents, together with the written consent referred to in the paragraph headed “Consent” in this Appendix, have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (WUMP) Ordinance.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at Unit 1211, Level 12, Core F, Cyberport 3, 100 Cyberport Road, Cyberport, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. from the date of this Prospectus up to and including the date which is 14 days from the date of this Prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2017 and 31 December 2018 respectively and the interim report of the Company for the six months ended 30 June 2019;
- (c) the accountant's report on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group issued by HLM CPA Limited, the text of which is set out in Appendix II to this Prospectus;
- (d) the material contracts referred to in the section headed "Material Contracts" in this appendix;
- (e) the written consent referred to in the paragraph headed "Consent" in this appendix; and
- (f) this Prospectus.