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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The board (the "Board") of directors (the "Directors") of CMMB Vision Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	**2013** **US$**	**2012** **US$**
Revenue	4	713,774	266,227
Cost of sales		(652,695)	(408,502)
Gross profit (loss)		61,079	(142,275)
Other income	5	80	80
Administrative expenses		(1,051,387)	(1,524,172)
Advertising expenses		(38,170)	(51,032)
Other expenses		(903,504)	(2,374,872)
Other gains and losses	6	2,517,131	(6,324,352)
Finance costs	7	(819,380)	(198,638)
Loss before tax	8	(234,151)	(10,615,261)
Income tax expense	9	(59,000)	—
Loss for the year and total comprehensive expense		(293,151)	(10,615,261)
Profit (loss) for the year and total comprehensive income (expense) attributable to:			
Owners of the Company		212,481	(9,900,497)
Non-controlling interests		(505,632)	(714,764)
		(293,151)	(10,615,261)
Earnings (loss) per share	10		
Basic		0.0003	(0.0190)
Diluted		(0.0019)	(0.0190)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

	NOTES	**2013** **US$**	**2012** **US$**
NON-CURRENT ASSETS			
Property, plant and equipment		51,885	11,829
Intangible assets	11	23,843,846	24,150,191
Deposits for the acquisition of intangible assets		11,020,706	—
Interests in associates		—	—
		34,916,437	24,162,020
CURRENT ASSETS			
Trade and other receivables	12	1,394,043	1,199,869
Bank balances and cash		877,155	822,877
		2,271,198	2,022,746
CURRENT LIABILITIES			
Trade and other payables	13	2,121,967	1,881,270
NET CURRENT ASSETS		149,231	141,476
		35,065,668	24,303,496
CAPITAL AND RESERVES			
Share capital	14	11,099,042	8,254,578
Share premium and reserves		5,637,934	(4,579,132)
Equity attributable to owners of the Company		16,736,976	3,675,446
Non-controlling interests		10,756,163	11,261,795
Total equity		27,493,139	14,937,241
NON-CURRENT LIABILITIES			
Convertible notes	15	4,333,491	3,553,372
Derivative financial instruments of convertible notes	15	2,515,127	5,032,258
Amount due to a related company		675,165	422,714
Amount due to a director		48,746	357,911
		7,572,529	9,366,255
		35,065,668	24,303,496

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis notwithstanding the fact that the Group incurred a loss of US$293,151 during the year ended 31 December 2013. In the opinion of the Directors, the Group should be able to continue as a going concern in the coming year taking into consideration the measures which include, but are not limited to, the following:

(a) In 2012, the Group commenced the provision of transmission and broadcasting of television programs subsequent to the acquisition of CMMB Vision (USA) Inc. ("CMMB Vision (USA)"). A 3-year service contract was entered into between CMMB Vision (USA) and China Central Television, a state-owned enterprise in People's Republic of China (the "PRC"). The management is currently under negotiation with other parties for the provision of TV broadcasting services and is of the opinion that such service can provide a reliable and stable cash flow for the Group to operate.

(b) Subsequent to the year end date, the Group has issued new shares for approximately US$2.0 million. The Group plans to further issue new shares to raise additional funds to improve its liquidity position.

(c) Chi Capital Holdings Limited, a company wholly owned by Mr. Wong Chau Chi ("Mr. Wong"), a director and shareholder of the Company, has agreed to provide financial support to enable the Group to meet its financial obligation as they fall due in the foreseeable future.

Based on the aforesaid factors, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Applications of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 - 2011 Cycle
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement

HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of HKFRS 10 and HKFRS 12 is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 that deal with consolidated financial statements and HK(SIC) Int - 12 *Consolidation - Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The application of HKFRS 10 in the current year has had no material impact on the Group's financial performance and positions for the current and prior years.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements in relation to the interests in associates and the non-controlling interests of a non-wholly-owned subsidiary.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value.

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The application of the amendments to HKAS 1 did not have a material impact on the Group's presentation of items of other comprehensive income in the current and prior years.

3. SEGMENT INFORMATION

For the year ended 31 December 2013

	CMMB business US$	Trading business US$	Total US$
Revenue			
Segment revenue	590,000	123,774	713,774
Segment profit (loss)	705,110	(20,037)	685,073
Other income			80
Unallocated expenses			(978,304)
Loss for the year			(293,151)

For the year ended 31 December 2012

	CMMB business US$	Trading business US$	Total US$
Revenue			
Segment revenue	149,197	117,030	266,227
Segment (loss) profit	(7,077,245)	19,357	(7,057,888)
Other income			80
Unallocated expenses			(1,879,763)
Share-based payments expense to consultants			(1,677,690)
Loss for the year			(10,615,261)

Segment assets

	2013	2012
	US$	**US$**
CMMB business	34,970,424	24,416,858
Trading business	1,826,458	927,755
Total segment assets	36,796,882	25,344,613
Unallocated		
- Property, plant and equipment	49,396	11,829
- Prepayments	30,976	5,447
- Bank balances and cash	310,381	822,877
Consolidated assets	37,187,635	26,184,766

Segment liabilities

	2013	2012
	US$	**US$**
CMMB business	6,848,618	8,585,630
Trading business	1,470,068	1,326,484
Total segment liabilities	8,318,686	9,912,114
Unallocated		
- Accruals	332,567	554,786
- Other payables	319,332	—
- Amount due to a related company	675,165	422,714
- Amount due to a director	48,746	357,911
Consolidated liabilities	9,694,496	11,247,525

4. REVENUE

Revenue of the Group is analysed as follows:

	2013 US$	2012 US$
Provision of agency services	123,774	117,030
Transmission and broadcasting of television programs	590,000	149,197
	713,774	266,227

5. OTHER INCOME

	2013 US$	2012 US$
Interest income	80	36
Others	—	44
	80	80

6. OTHER GAINS AND LOSSES

	2013 US$	2012 US$
Impairment loss recognised on an intangible asset	—	(1,334,185)
Loss on acquisition of intangible assets	—	(4,861,135)
Change in fair value of derivative components of convertible notes	2,517,131	(129,032)
	2,517,131	(6,324,352)

7. FINANCE COSTS

	2013 US$	2012 US$
Effective interest expense on convertible notes	780,119	198,533
Imputed interest on an amount due to a related party	21,226	57
Imputed interest on an amount due to a director	18,035	48
	819,380	198,638

8. LOSS BEFORE TAX

	2013 US$	2012 US$
Loss for the year has been arrived at after charging:		
Staff costs, including directors' remuneration		
- Salaries and allowances	235,265	307,632
- Retirement benefit scheme contributions	2,064	13,042
Total staff costs	237,329	320,674
Share-based payments expense to consultants (included in other expenses)	—	1,677,690
Amortisation of intangible assets (included in cost of sales)	306,345	357,402
Amortisation of intangible assets (included in other expenses)	—	170,321
Legal and professional fee (included in other expenses)	903,504	526,861
Auditor's remuneration	184,516	154,839
Depreciation of property, plant and equipment	19,292	23,248
Exchange loss, net	14,887	1,153

9. TAXATION

	2013 US$	2012 US$
Current tax:		
Withholding tax on foreign income	59,000	—

10. EARNINGS (LOSS) PER SHARE

	2013 US$	2012 US$
Earnings (loss)		
Earnings (loss) for the year attributable to owners of the Company for the purpose of basic earnings (loss) per share	212,481	(9,900,497)
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	780,119	—
Change in fair value of derivative components of convertible notes	(2,517,131)	—
Loss for the year attributable to owners of the Company for the purpose of dilutive loss per share	(1,524,531)	(9,900,497)

	2013	2012
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	683,066,703	508,943,648
Effect of dilutive potential ordinary shares:		
Options	1,007,222	—
Convertible notes	138,744,230	—
Weighted average number of ordinary shares for the purpose of dilutive loss per share	822,818,155	508,943,648

For the year ended 31 December 2012, the computation of diluted loss per share did not assume the exercise of the Company's outstanding share options and the conversion of the convertible notes of the Company since the assumed exercise of those share options and convertible notes in that year would result in decrease in loss per share.

11. INTANGIBLE ASSETS

Intangible assets represent contract acquisition costs/spectrum usage rights and licensing rights.

The contract acquisition costs/spectrum usage rights represented a lease agreement which provided the exclusive right of four UHF spectrum TV station network in New York City with total 24 MHz in bandwidth capable of operating 24 digital channels of terrestrial and mobile TV and video programs covering 12 million populations in the New York Metropolitan of New York State.

The licensing rights represent the exclusive international development and licensing right of China Mobile Multimedia Broadcasting ("CMMB") technology registered in the PRC for providing turnkey solutions to develop and promote CMMB technology and business platform in markets outside of the PRC. As at 31 December 2013, there were no changes to circumstances which led to the impairment in the prior year. Accordingly, no reversal of impairment loss had been made in the current year.

12. TRADE AND OTHER RECEIVABLES

	2013 US$	2012 US$
Trade receivables	1,177,460	927,755
Deposits	6,190	5,447
Prepayments	210,393	266,667
Total trade and other receivables	1,394,043	1,199,869

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

	2013 US$	2012 US$
0 - 30 days	465,235	424,254
31 - 60 days	432,264	433,686
61 - 90 days	112,464	35,126
91 - 120 days	167,497	34,689
	1,177,460	927,755

13. TRADE AND OTHER PAYABLES

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

	2013 US$	2012 US$
0 - 90 days	1,349,975	1,296,331
91 - 180 days	92,322	30,153
Over 180 days	571	—
	1,442,868	1,326,484
Accruals	359,767	554,786
Other payables	319,332	—
Total trade and other payables	2,121,967	1,881,270

14. SHARE CAPITAL

	Number of shares	Nominal value HK$	Shown as US$
Authorised:			
Ordinary shares of HK$0.1 each as at 31 December 2012 and 31 December 2013	5,000,000,000	500,000,000	
Issued and fully paid:			
Ordinary shares of HK$0.01 each as at 1 January 2012	4,498,222,000	44,982,220	5,804,157
Share consolidation	(4,048,399,800)	—	—
	449,822,200	44,982,220	5,804,157
Issue of new shares	149,687,588	14,968,758	1,931,453
Exercise of share options	40,220,000	4,022,000	518,968
Ordinary shares of HK$0.1 each as at 31 December 2012	639,729,788	63,972,978	8,254,578
Issue of new shares (note)	220,445,957	22,044,597	2,844,464
Ordinary shares of HK$0.1 each as at 31 December 2013	860,175,745	86,017,575	11,099,042

Note:

On 30 July 2013, the Company entered into subscription agreements with the subscribers for the subscription of an aggregate 20,000,000 new shares for an aggregate consideration of HK$9,300,000 at the subscription price of HK$0.465 per subscription share.

On 15 August 2013, the Company entered into subscription agreements with the subscribers for the subscription of an aggregate 52,000,000 new shares for an aggregate consideration of HK$24,180,000 at the subscription price of HK$0.465 per subscription share.

On 11 September 2013, the Company entered into subscription agreements with the subscribers for the subscription of an aggregate 55,945,957 new shares for an aggregate consideration of HK$29,091,897 at the subscription price of HK$0.520 per subscription share.

On 6 December 2013, the Company entered into subscription agreements with the subscribers for the subscription of an aggregate 92,500,000 new shares for an aggregate consideration of HK$37,000,000 at the subscription price of HK$0.40 per subscription share.

The proceeds were used to provide additional working capital for the Company. The new shares rank pari passu with the existing shares in all respects.

15. CONVERTIBLE NOTES

The movement of the convertible notes debt component and derivative components are shown as follows:

	Debt component US$	**Derivative Components US$**	**Total US$**
At date of issuance	3,354,839	4,903,226	8,258,065
Effective interest expenses	198,533	—	198,533
Change in fair value of convertible notes	—	129,032	129,032
At 31 December 2012	3,553,372	5,032,258	8,585,630
Effective interest expenses	780,119	—	780,119
Change in fair value of convertible notes	—	(2,517,131)	(2,517,131)
At 31 December 2013	4,333,491	2,515,127	6,848,618

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the financial year ended 31 December 2013, the Group recorded loss for the year of approximately US$293,000 as compared to approximately US$10.6 million for the year ended 31 December 2012, which includes profit for the year attributable to owners of the Company amounted to approximately US$212,000 and loss for the year attributable to non-controlling interests amounted to approximately US$505,000 respectively. Earnings per share was approximately US0.0003 cents (2012: Loss per share approximately US0.0190 cents) and net assets per share of the Group was approximately US3.19 cents (2012: approximately US2.33 cents).

During the year ended 31 December 2013, the Group engaged in provision of China Mobile Multimedia Broadcasting ("CMMB") and agency services with revenue of approximately US$713,000 (2012: approximately US$266,000).

Cost of sales mainly includes amortisation of intangible assets amounted to approximately US$306,000 for the year ended 31 December 2013 (2012: approximately US$357,000), with a decrease by approximately 14.2%.

The Group improved its business activities by the change from gross loss of approximately US$142,000 for the year ended 31 December 2012 to gross profit of approximately US$61,000 for the year ended 31 December 2013.

The administrative expenses for the year ended 31 December 2013 decreased by approximately 33.33% to approximately US$1.0 million as compared to that of approximately US$1.5 million for the year ended 31 December 2012.

Other expenses represents the legal and professional fee amounted to approximately US$903,000 during the year ended 31 December 2013. For the year ended 31 December 2012, other expenses represents the legal and professional fee amounted to approximately US$526,000 and share-based payments expense to consultants amounted to US$1.6 million respectively.

Other gains and losses represents change in fair value of derivative components of convertible notes amounted to a gain of approximately US$2.5 million during the year ended 31 December 2013 as compared to a loss of approximately US$129,000 during the year ended 31 December 2012. The rest of other gains and losses for the year ended 31 December 2012 includes impairment loss recognized on an intangible asset amounted to approximately US$1.3 million and loss on acquisition of intangible assets amounted to approximately US$4.8 million respectively.

Finance costs of the Group for the year ended 31 December 2013 amounted to approximately US$819,000 (2012: approximately US$198,000), it mainly represents effective interest expense on convertible notes.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had total equities of approximately US$27.4 million as at 31 December 2013 and approximately US$14.9 million as at 31 December 2012. Current assets amounted to approximately US$2.2 million comprising bank balances and cash of approximately US$0.9 million and trade and other receivables of approximately US$1.3 million. Current liabilities, amounted to approximately US$2.1 million, represents trade and other payables only.

As at 31 December 2013, the Group's current ratio was 1.0 (2012: 1.1) and the gearing ratio (a ratio of total loans to total assets) was 11.5% (2012: 13.7%). Other than convertible notes, the Group did not has any bank and other borrowings as at 31 December 2013 (2012: Nil).

During the year, the Company entered into certain subscription agreements with the subscribers for the subscription of an aggregate 220,445,957 new shares ("Shares") of the Company for an aggregate consideration of HK$99,571,897 (equivalent to approximately US$12.8 million), details of these are set out in note 14 to this announcement. Total net proceeds of all above subscriptions are approximately HK$99.2 million (equivalent to approximately US$12.8 million), in which HK$16.9 million (equivalent to approximately US$2.2 million); HK$12 million (equivalent to approximately US$1.5 million); HK$42.3 million (equivalent to approximately US$5.5 million) and HK$28.0 million (equivalent to approximately US$3.6 million) were used for administrative and operations; New York CMMB network development; new wireless spectrum and network acquisition; and new business and network development respectively.

FOREIGN CURRENCY EXCHANGE RISK

Most of the Group's assets, liabilities and transactions are denominated in US dollar. The Group did not make any other hedging arrangement in the two years ended 31 December 2013.

SEGMENTAL INFORMATION

As at 31 December 2013, detail segmental information of the Group is set out in note 3 to this announcement.

EMPLOYEE BENEFITS

For the year ended 31 December 2013, average number of employees of the Group was approximately 30 (2012: approximately 30). For the year ended 31 December 2013, the Group's staff costs (including Directors' fees and emoluments) amounted to approximately US$237,000 (2012: approximately US$320,000). The remuneration policy of the Company is reviewed annually and is in line with the prevailing market practice. During the year under review, the Company did not grant any share options to the Directors and employees of the Group under the share option scheme of the Company adopted on 5 July 2005.

BUSINESS/OPERATION REVIEW

During the year under review, the Company's principal activity is investment holdings whilst its subsidiaries are mainly engaged in provision of CMMB and agency services. The Company has been pursuing opportunities arising from China's new policy in support of 3-Way Network Convergence (television, telecom and internet) and, in particular, has been focused on developing mobile television and interactive multimedia business based on CMMB standards. The Company's goal is to develop into a mobile TV multimedia company, providing CMMB-based services, solutions, and innovations in China and in other markets around the world.

PROSPECTS

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

Developed by the State Administration of Radio, Film, and Television ("SARFT") of the People's Republic of China ("PRC") with collaboration from the United States of America, CMMB is one of the most advanced digital broadcasting (multicast) technologies invented in the 21 Century that enables mobile television ("TV") delivery and data delivery through Internet by the Internet Protocol ("IP data"). It is

Orthogonal frequency-division multiplexing ("OFDM") based, and can readily interact with other OFDM technologies such as third generation mobile technology 3G, fourth generation mobile technology ("4G") based on Institute of Electrical and Electronics Engineers standards 802.16(e) ("WiMax") and 4G Long Term Evolution ("4G LTE"). The key feature of CMMB is that it can deliver streaming live mobile video and push-IP data in a massive quantity and instant speed simultaneously to an unlimited number of mobile users anytime anywhere at very low cost. CMMB has been widely deployed over 330 Chinese cities with the support of world's largest mobile network and supply-chain ecosystem.

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the largest and the five largest customers of the Group accounted for approximately 82.7% and 100% of the Group's revenue respectively.

At no time during the year did a Director, an associate of a Director or any shareholders (which to the knowledge of the Directors had more than 5% interests in the Company) had an interest in any of the Group's five largest customers or suppliers.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Listing Rules. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

During the year under review, the Company has complied with the requirements of the Code Provisions in the CG Code throughout the year ended 31 December 2013 except that the Company has been deviated from the Code Provision A.2.1 of the CG Code, as the roles of Chairman and chief executive officer of the Company were not separate. With effect from 19 May 2008, Mr. Wong Chau Chi ("Mr. Wong") had been re-designated as the Chairman and Mr. Wong also remains as the chief executive officer of the Company. According to the Code Provision A.2.1 of the CG Code, the roles of a chairman and a chief executive officer should be separate and should not be performed by the same individual. Given Mr. Wong has had extensive experience in the business of the Group and has performed satisfactorily since his joining of the Company in 2007, particularly in soliciting for possible new business opportunities and deducing the overall strategic plan for the future development of the Company, the Board considers that it would be beneficial to the Group if Mr. Wong is also in charge of overseeing the Company's operations as the Chairman. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will regularly review the effectiveness of this arrangement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a revised code of conduct regarding securities transactions by Directors on terms no less exacting than the required standards under the revised Model Code for Securities Transactions by Directors of Listed Issues ("Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code throughout the year ended 31 December 2013 and all the Directors confirmed that they have fully complied with the required standard set out in the Model Code and the code of conduct throughout the year ended 31 December 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Director, namely Mr. Wang Wei-Lin, Mr. Shan Li and Dr. Li Jun, an annual confirmation of their independence pursuant to the Rule 3.13 of the Listing Rules. Based on such confirmations, the Board considers all of the independent non-executive Directors are independent.

The Company has complied with the provisions of 3.10(1) and 3.10(2) of the Listing Rules that sufficient number of independent non-executive Directors have been appointed and that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise

AUDIT COMMITTEE

An Audit Committee was established by the Company on 5 July 2005 with written terms of reference to review and supervise the Group's financial reporting process and internal controls. The Company has adopted a revised written terms of reference with reference to the corresponding changes made to the code provisions of the CG Code. The Audit Committee currently comprises Mr. Shan Li and Dr. Li Jun, being independent non-executive Directors and Mr. Chou Tsan-Hsiung, a non-executive Director. Currently, Mr. Shan Li is the chairman of the Audit Committee.

The Company has complied with the provision of Rule 3.21 of the Listing Rules that the Company's audit committee comprises a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

REMUNERATION COMMITTEE

A Remuneration Committee was established by the Company on 5 July 2005 and re-constituted pursuant to a written resolution passed by the Board on 23 September 2005 to formulate and make recommendation to the Board on the Group's policy and structure for all remuneration of the Directors and senior management of the Group.

The Remuneration Committee currently comprises the three independent non-executive Directors, namely Mr. Wang Wei-Lin, Mr. Shan Li and Dr. Li Jun and one non-executive Director, Mr. Chou Tsan-Hsiung. Currently, Mr. Wang Wei-Lin is the chairman of the Remuneration Committee.

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

Hong Kong, 24 March 2014

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