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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)

**VERY SUBSTANTIAL ACQUISITION
AND CONNECTED TRANSACTION AND
PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE
CONVERSION SHARES
ACQUIRING ONE-BELT-ONE-ROAD MOBILE SATELLITE
INFRASTRUCTURE TO COMPLETE PLATFORM AND
COMMENCE SERVICE IN CHINA**

SUMMARY

Very Substantial Acquisition and Connected Transaction

The Board is pleased to announce that on 31 October 2016, the Company and Chi Capital entered into the Sale and Purchase Agreement, pursuant to which the Company as the purchaser has conditionally agreed to purchase, and Chi Capital as the seller has conditionally agreed to sell, 2,000 ordinary shares in Silkwave Holdings, representing 20% of the entire issued share capital of Silkwave Holdings, which through its wholly-owned subsidiary, indirectly holds a geosynchronous L-band satellite operating platform, named “AsiaStar”, including its 40 MHz spectrum frequency use, orbital slots, capacity of AsiaStar satellite and the Silkwave-1 satellite under construction and a media service platform with ample international programming, in order to provide multimedia broadcasting and Internet-based content delivery services to vehicles and mobile devices in China and other Asian markets with unprecedented efficiency ubiquity and economies of scale.

The Company has the seven-year Call Option to acquire from Chi Capital an additional 31% equity interest in Silkwave Holdings to bring the Company's equity interest in Silkwave Holdings to 51% so as to consolidate Silkwave Holdings as a subsidiary of the Company. The Company will be granted by Chi Capital and Silkwave Holdings management rights of the operation of Silkwave Holdings upon completion of the Sale and Purchase Agreement.

The Consideration payable to Chi Capital under the Sale and Purchase Agreement is US\$240 million, out of which US\$94 million will be paid by cash, US\$96 million will be satisfied by the issue of the Convertible Notes and US\$50 million will be satisfied by the Disposal, which involves the Company's transfer and injection of its 49% equity interest in Global Vision into Silkwave Holdings. The Consideration represents an approximate 70% discount to the fair value of Silkwave Holdings in favor of the Company.

The proposed Acquisition, if completed, will combine the valuable assets of Silkwave Holdings with the Company's resources, such as its technologies, Chinese ecosystem platform, and recent breakthroughs to create a full-fledged Silkwave platform, which now has the necessary operating capabilities to start deploying mobile multimedia and data services capable of supporting for billions of vehicles and mobile users across China and eventually One-Belt-One-Road Asia while the Company remains as a major shareholder of Silkwave Holdings.

This arrangement represents the most practical and effective way for the Company to crystalize years of its efforts in developing a scalable and universal mobile platform to capture the explosive multimedia and opportunities of the Internet era it has long envisioned. It is a fast-track solution to execute the Company's ambitious business plan and realize greater revenue potential with minimum capital burden. In particular, the financing of the new Boeing satellite will now be shouldered by Silkwave Holdings and underwritten by a leading US-based investment bank. Other than the Consideration, there will be no further capital commitment from the Company on Silkwave Holdings.

Following the completion of the proposed Acquisition, Silkwave Holdings is expected to commence business in three phases:

1. Phase-1: Trial service under AsiaStar satellite from now till 2018, to validate technologies, business models, and nurture content and operating partnership with ecosystem players such as OTT providers and OEM carmakers.

2. Phase-2: Full launch of commercial service in 2018 for vehicles under the high-power Silkwave-1, in which significant revenue is expected to be brought in and grow rapidly into future years throughout the life span of Silkwave-1, which is estimated to have 15 years of commercial life before replacement. Services for mobile consumers will also follow.
3. Phase-3: Commercial expansion into Asia One-Belt-One-Road countries (eg., Indonesia, India) with regional partners post 2018 by leveraging the same satellite footprint and turnkey solutions from China, which will keep expansion cost marginal and add significant net revenue to the Company and become a regional leader.

Going forward, the Company will remain as an investment holding company with core businesses in the media, entertainment and mobile Internet industry as flanked by a terrestrial digital TV operation in the US, a satellite-based multimedia operation in China/Asia, and a PCB components trading operation facilitating the industry's device and equipment making, which together could cross-fertilize synergies with each other. The Company further expects to move downstream to content production by joining hands with Chinese and Hollywood partners for a variety of user-driven programs and services in movie, music, radio, games, and interactive media. It expects to do so with a great deal of competitive edge by leveraging its unique delivery network and the immense customer eyeballs it can capture. Taken together, the Company will become a vertically integrated global multimedia operator for multimedia entertainment and data communication tailored to vehicles and mobile consumers in the new Internet age.

The initial conversion price of the Convertible Notes of HK\$0.4 per Conversion Share represents (i) a premium of approximately 35.59% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 36.05% to an average closing price of HK\$0.294 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and (iii) a premium of approximately 35.59% to the average closing price of HK\$0.295 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

Listing Rules Implications

As certain applicable percentage ratios in respect of the Acquisition as calculated under Chapter 14 of the Listing Rules exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. As certain applicable percentage ratios in respect of the Disposal exceed 25% but are less than 75%, the Disposal would constitute a major transaction of the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.24 of the Listing Rules, the Acquisition and the Disposal as a whole are subject to the reporting, disclosure and/or shareholder approval requirements applicable to very substantial acquisitions.

In addition, Mr. Wong Chau Chi, being an executive Director, is a connected person of the Company, and hence Chi Capital, being an associate of Mr. Wong Chau Chi, is also a connected person of the Company under the Listing Rules. Accordingly, the Sale and Purchase Agreement and the Acquisition and the Disposal thereunder constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Therefore, the Sale and Purchase Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and shareholders' approval requirements set out in Chapter 14 of the Listing Rules and the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The part of the Consideration to be paid by the Company in cash, to the extent that it is outstanding, constitutes a financial assistance received by the Group from a connected person, namely Chi Capital, which is fully exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules as such financial assistance is conducted on normal commercial terms or better, and it is not secured by the assets of the Group.

Proposed Grant of Specific Mandate to issue the Conversion Shares

The Company will seek the grant of the Specific Mandate from the Shareholders to allot and issue the Conversion Shares upon conversion of the Convertible Notes, which form part of the Consideration.

EGM

The EGM will be convened as soon as practicable at which ordinary resolutions will be proposed for the Independent Shareholders to consider, and, if thought fit, to approve (i) the Sale and Purchase Agreement and the transactions thereunder; and (ii) the grant of the Specific Mandate. Pursuant to the Listing Rules, at the EGM, Mr. Wong Chau Chi and his associates, including Chi Capital, are required to abstain from voting on such ordinary resolutions. Voting at the EGM will be conducted by poll.

Independent Board Committee and Independent Financial Adviser

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to whether (i) the terms and conditions of the Sale and Purchase Agreement and the transactions thereunder; and (ii) the Specific Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company has appointed Veda Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

Circular

The Circular containing, amongst other information, (i) further details of the Acquisition and the Disposal; (ii) further information on the Specific Mandate; (iii) a letter from the Independent Board Committee advising the Independent Shareholders in respect of the terms and conditions of the Sale and Purchase Agreement and the Specific Mandate; (iv) a letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the terms and conditions of the Sale and Purchase Agreement and the Specific Mandate; and (v) a notice of the EGM, will be dispatched to the Shareholders. As additional time is required by (i) the Company's valuers to finalize the valuation report of the Acquisition; and (ii) Veda Capital to finalize its advice to the Independent Board Committee, both of which will be included in the circular, it is currently expected that the circular will be dispatched to the Shareholders on or before 31 January 2017.

Shareholders and potential investors should note that the completion of the Sale and Purchase Agreement is subject to the fulfillment of various conditions precedents and the Acquisition may or may not proceed to completion. Accordingly, Shareholders and potential investors should exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 31 October 2016, the Company and Chi Capital entered into the Sale and Purchase Agreement, pursuant to which the Company as the purchaser has conditionally agreed to purchase, and Chi Capital as the seller has conditionally agreed to sell, 2,000 ordinary shares in Silkwave Holdings, representing 20% of the entire issued share capital of Silkwave Holdings, which through its wholly-owned subsidiary, indirectly holds a geosynchronous L-band satellite platform, named “AsiaStar”, including its spectrum use, orbital use and follow-on new satellite capacity in order to provide mobile multimedia broadcasting and Internet-based content delivery services to China and other Asian markets.

The major terms of the Sale and Purchase Agreement are summarised below:

Sale and Purchase Agreement

Date: 31 October 2016

Parties: (i) Chi Capital as the seller; and
(ii) the Company as the purchaser.

Subject Matter: Pursuant to the Sale and Purchase Agreement, Chi Capital agreed to sell and the Company agreed to purchase 2,000 ordinary shares in Silkwave Holdings, representing 20% of the entire issued share capital of Silkwave Holdings. Upon completion of the Acquisition, Silkwave Holdings will become a strategic investment holding and an affiliate of the Company. The Company also has the Call Option to purchase an additional 31% equity interest in Silkwave Holdings from Chi Capital within 7 years from the Completion. Should the Company exercise the Call Option and successfully acquire the additional 31% equity interest in Silkwave Holdings, assuming no dilution, Silkwave Holdings will become a non-wholly-owned subsidiary of the Company and its financial results will be consolidated into that of the Group.

Consideration: The Consideration payable to Chi Capital under the Sale and Purchase Agreement is US\$240 million, which was determined based on arm's length negotiation between the parties thereto taking into account a number of factors including the business prospects, the future synergies to be derived by the Group after the successful integration of Silkwave Holdings, the reasons for and the benefits to be derived from the Acquisition as described below and also the prices of the comparable assets in the market.

In particular, for the purpose of determining the amount of the Consideration, the Board has taken into account the prices of satellite spectrum per MHz per population covered (i.e. number of people) among the purchases and sales of comparable satellite spectrum licenses and air-wave in the Europe markets, which range from US\$0.11 to US\$0.211 per MHz per population covered.

Valuation of the Consideration: The total Consideration of US\$240 million represents US\$1.2 billion for 100% of the equity interest in Silkwave Holdings. According to a valuation report obtained from a third party professional valuer, the AsiaStar satellite platform and related assets of Silkwave Holdings are appraised at US\$4.09 billion for its L-band spectrum holdings alone based on a market-comparison approach, which takes into account comparable international auction prices of similar electromagnetic spectrum. Therefore, the Consideration represents a steep discount of approximately 70% to its fair value. Furthermore, the appraised valuation only takes into account China and its 1.4 billion population under coverage and not the entire Asia regions which has 4.4 billion population, which if were to be taken into account, will significantly increase Silkwave Holdings' appraised value. The Company considers the inclusion of China-only valuation as appropriate for now as it is the base market for its development with a concrete business plan and the rest of the regions are for future development.

Payment:

The Consideration will be satisfied in the following ways:

Cash: US\$94 million of the Consideration will be satisfied by cash, out of which US\$68.8 million would be offset by the deposit paid by the Group to Chi Capital, and US\$25.2 million shall be fully settled no later than 5 years upon the Completion. The Company expects to finance the cash consideration for the Acquisition by bank credit facility, shareholder loans, private equity, share placement, or a combination of the above.

Convertible Notes: US\$96 million of the Consideration will be satisfied by issue of the Convertible Notes with a total principal amount of US\$96 million, convertible into Shares at the initial conversion price of HK\$0.4 per Conversion Share upon the Completion and after the approval from the Cayman Islands Grand Court of the capital reduction of the Company (please refer to the circular of the Company dated 18 May 2016 on the share consolidation and capital reduction for details).

Equity contribution: US\$50 million of the Consideration will be satisfied by the Disposal, being the Company's transfer of its 49% equity interest in the recently formed joint-venture company in China, Global Vision, to Silkwave Holdings, which will become part of the on-going operating assets of Silkwave Holdings. Global Vision was formed between the Company and Global Media Broadcasting Group of China Radio International, one of China's top three state-media conglomerates as a dedicated satellite mobile broadcast service operating platform with official status and necessary regulatory franchise. Please also refer to the paragraph headed "Further Information on the Disposal" below.

Call Option: The Company has a seven-year Call Option to acquire from Chi Capital an additional 31% equity interest in Silkwave Holdings to bring the Company's equity interest in Silkwave Holdings to 51% so as to consolidate Silkwave Holdings as a subsidiary of the Company, assuming that there will be no additional allotment or issues of shares by Silkwave Holdings. The exercise price of the Call Option is US\$500 million. In the event that there would be any share dilution prior to the exercise, Chi Capital undertakes that it will acquire such number of additional shares in Silkwave Holdings and, upon exercise of the Call Option, offer to transfer such additional shares at the same valuation of the last investor's investment as necessary for the Company to reach the 51% controlling stake in Silkwave Holdings.

Call Option Contingency: As the management of the Company is given certain management rights in Silkwave Holdings, the Call Option provides substantial incentives for the Company to ally its interest with Silkwave Holdings. It is reasonable from the perspective of the shareholders of Silkwave Holdings that the Company's management has to perform according to expectation and therefore certain thresholds for the exercise of the Call Option is necessary. Therefore, the Call Option will become effective provided Silkwave Holdings will generate EBITDA based on audited report of US\$200 million in any given year in the seven-year period of the Call Option.

Call Option Settlement: The settlement for the exercise price of the Call Option will be satisfied with 50% (or US\$250 million) in cash and 50% (or US\$250 million) in convertible notes (hereinafter referred to as the "**Second Convertible Notes**"), which will have the same terms and conditions as the Convertible Notes (or, the "**First Convertible Notes**").

Management Rights:

The Company will be granted by Chi Capital and Silkwave Holdings' management rights of the operation of Silkwave Holdings upon completion of the Sale and Purchase Agreement. Such management rights will include but not limited to the appointment of one director out of the three board seats, chairman, chief executive officer or general manager of Silkwave Holdings, the formulation of budget, distribution of dividends, capital fund-raising, merger, liquidation and daily management of Silkwave Holdings, subject to the approval from the board of directors of Silkwave Holdings. Mr. Wong Chau Chi, the chief executive officer of the Group, and Dr. Liu Hui, the chief technology officer of the Group, both Directors, will initially constitute part of the management team of Silkwave Holdings.

Conditions Precedent:

Completion of the Sale and Purchase Agreement is conditional upon, among others, the following conditions having been fulfilled or waived by the Company and/or Chi Capital:

- (i) satisfactory due diligence on the legal, regulatory and financial status of Silkwave Holdings;
- (ii) the approval by the Independent Shareholders at the EGM, of the Acquisition, the Disposal and the allotment and issue by the Company of the Conversion Shares upon exercise of conversion rights, with voting being taken by way of poll;
- (iii) the listing of, and permission to deal in, the Conversion Shares having been granted by the Stock Exchange and not having been revoked prior to the Completion;
- (iv) the relevant broadcasting licences and the uplink permit or equivalent approval issued by the relevant Authority in China;
- (v) all other approvals, consents, licenses, permits, transfers, waivers and exemptions necessary to complete and effect the Acquisition and Disposal having been obtained;

(vi) completion of the Pre-acquisition Restructuring;
and

(vii) each of the representations and warranties given by the parties in the Sale and Purchase Agreement being true and correct in all material respects as of the date of the Completion.

The Company is entitled to waive any of the conditions precedent to the Completion except for conditions (ii), and (iii) above pursuant to the Sale and Purchase Agreement.

The completion of the Sale and Purchase Agreement is subject to the fulfillment of various conditions precedents and may or may not proceed to the Completion. Accordingly, Shareholders and potential investors should exercise caution when dealing in the Shares.

FURTHER INFORMATION ON THE DISPOSAL

US\$50 million of the Consideration (the “**Disposal Consideration**”) will be satisfied by the Disposal of the Company’s 49% equity interest in Global Vision, which is to be transferred and injected into Silkwave Holdings. The Disposal Consideration was arrived at after arm’s length negotiation between the Company and Chi Capital with reference to the Company’s total capital contribution to Global Vision and the incremental costs incurred, plus profit. The Company has paid US\$16.5 million in capital into Global Vision and Global Vision has a net book value of US\$14.97 million as at 30 September 2016 based on the management accounts of Global Vision.

It is expected that the Company will record a gain of approximately US\$42.66 (subject to audit), being the difference between the Disposal Consideration less estimated expenses and the net book value of the 49% equity interest in Global Vision as stated at the consolidated management accounts of the Group as at 30 September 2016.

INFORMATION ON THE CONVERTIBLE NOTES

Convertible Notes (First Convertible Notes)

The principal terms of the Convertible Notes to be issued are summarized below.

Coupon rate:	The Convertible Notes are not interest bearing.
Total principal amount:	US\$96
Maturity date:	Seven years from the date of issue of the Convertible Notes. The term of the Convertible Notes is determined by arm's length negotiation between the parties, taking into account the track record of previous convertible notes issued by the Company, the expected time required by the Company to implement its business plans, and the terms of convertible notes issued by other public companies in the market.
Redemption Amount:	100% of the principal amount
Conversion Price:	HK\$0.4 per Conversion Share, subject to adjustments as stated below. The initial conversion price of the Convertible Notes of HK\$0.4 per Conversion Share represents: <ul style="list-style-type: none">(i) a premium of approximately 35.59% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day;(ii) a premium of approximately 36.05% to an average closing price of HK\$0.294 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and(iii) a premium of approximately 35.59% to the average closing price of HK\$0.295 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Hong Kong dollar equivalent to the principal amount of the Convertible Notes being converted shall be calculated by using the fixed exchange rate of HK\$7.76 per US\$1.00.

Number of Conversion
Shares to be issued:

Upon full conversion of the Convertible Notes, a maximum of 1,862,400,000 Conversion Shares (subject to adjustment) will be issued, representing approximately 99.3% of the issued share capital of the Company as at the date of this announcement and approximately 49.8% of the issued share capital of the Company as enlarged by the issuance of the Conversion Shares.

Conversion
Restrictions:

Holders of the Convertible Notes shall not be entitled to exercise the conversion rights to convert any part of the outstanding principal amount of the Convertible Notes into new Shares if (i) such conversion will cause the public float of the Company to fall below the minimum public float requirement under Rule 8.08 of the Listing Rules (the “**Minimum Public Float**”); or (ii) the aggregate beneficial interest to be held by the such holder(s) of the Convertible Notes in the Company as a result of such conversion, together with the shareholding interest in the Company held by parties acting in concert with it (the “**Aggregate Beneficial Interest**”), to become equal to or exceed 30% of the total Shares in issue or any other threshold which will trigger the obligation on the part of the holder of the Convertible Notes to make a mandatory General Offer pursuant to the Takeovers Code (the “**Conversion Threshold**”) following such conversion.

If (i) the principal amount specified in the conversion notice given by holder(s) of the Convertible Notes to be converted into new Shares will effectively cause the public float of the Company to fall below the Minimum Public Float; or (ii) the Aggregate Beneficial Interest shall be equal to or exceed the Conversion Threshold as a result of any conversion of the relevant Convertible Notes triggering the obligation on the part of the holder of the Convertible Notes to make a mandatory General Offer pursuant to the Takeovers Code, the Company shall only be obliged to convert such principal amount of the Convertible Notes to the extent that such conversion will not result in (i) the public float of the Company to fall below the Minimum Public Float; or (ii) the Aggregate Beneficial Interest becoming equal to or exceeding the Conversion Threshold, respectively.

Transferability:

The Convertible Notes are not transferable unless with the prior written consent by the Company, which consent shall not be unreasonably withheld by the Company.

Adjustment of
conversion price:

The conversion price of HK\$0.4 per Share is subject to adjustments in the case of the following customary anti-dilution events, (i) free distribution of shares, subdivisions, consolidations or reclassification of shares, (ii) stock dividends, (iii) certain grant, offer or issue of options, rights or warrants or convertible or exchangeable securities; (iv) capital distributions including indebtedness, certain assets or shares of capital stock of the Company or certain other securities; (v) capitalization of profits or reserves; and (vi) issue of Shares for cash or as consideration for acquisition of assets at an issue price which is less than the then market price of the Shares. For the avoidance of doubt, the Company shall give effect to any adjustment which has not been effected due to restriction(s) under any applicable laws, rules or regulations as soon as practicable after such restriction(s) cease to apply.

The Company will make an announcement when there is any adjustment to the conversion price of the Convertible Notes.

Voting right: Holder(s) of the Convertible Notes will not carry voting rights at any shareholders meetings of the Company by reason only of being holder(s) of the Convertible Notes.

Redemption: The outstanding Convertible Notes may be redeemed by the Company at any time from the date of issue to the maturity date of the Convertible Notes at the principal amount.

Restrictive Covenants: So long as 50% of the original principal amount of the Convertible Notes remains outstanding, the Company will not, and will ensure that none of its subsidiaries will create, or have outstanding, any encumbrance upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any relevant indebtedness, or any guarantee or indemnity in respect of any relevant indebtedness, without at the same time or prior thereto according to holders of the Convertible Notes the same security as is created or subsisting to secure any such relevant indebtedness, guarantee or indemnity equally and rateably or such other security as shall be approved by the holder of the Convertible Notes.

Pre-emption Rights: The Company has undertaken to Chi Capital that, amongst other matters, subject to compliance with the relevant rules and regulations, including provisions of the Listing Rules, for so long as 50% of the original principal amount of the Convertible Note remains outstanding, if the Company proposes to issue any equity securities, Chi Capital shall have the right (“**Pre-emption Right**”) of first refusal to subscribe for up to such portion of the new equity securities as would allow Chi Capital to maintain the same level of shareholding in the Company on a fully diluted and as-converted basis as at the date when offered to exercise such Pre-emption Right.

Events of Default:

The holder of the Convertible Notes may give notice to the Company that the Convertible Notes are, and they shall on the giving of such notice immediately become, due and payable at their principal amount and all other sums payable under the Convertible Notes if:

- (i) the Company fails to pay any principal amount in respect of the Convertible Notes when due, unless non-payment of such amount is due to administrative or technical error and payment is made within 3 business days of the due date thereof; or
- (ii) the Company defaults in the performance or observance of or compliance with any of its other obligations set out in the instrument constituting the Convertible Notes which default is incapable of remedy or, if capable of remedy, is not remedied within 14 days after notice of the occurrence of such default by the holder of the Convertible Notes; or
- (iii) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any substantial part of the undertaking, property, assets or revenues of the Company or any of its major subsidiaries (and, where any such appointment is made in relation to a major subsidiary, the appointment is not discharged within 14 days of it being made); or

- (iv) the Company or any of its major subsidiaries becomes insolvent or is unable to pay its debts as they fall due or applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or any of its major subsidiaries or the whole or any substantial part of the undertaking, property, assets or revenues of the Company or any of its major subsidiaries (and, where any such appointment is made in relation to a major subsidiary, the appointment is not discharged or withdrawn within 14 days of it being made) or takes any proceeding under any law for a readjustment or deferment of its respective obligations or any part of them or makes or enters into a general assignment or compromise with or for the benefit of its respective creditors; or
- (v) a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed for the winding-up, insolvency, administration or dissolution of the Company or any of its major Subsidiaries (and where any such petition, proceeding or order is presented, commenced or made in relation to a major subsidiary, such petition, proceeding or order is not set aside or withdrawn within 14 days of it being filed, commenced or made), except in the case of winding-up of any Subsidiaries of the Company in the course of internal reorganisation without involving insolvency; or
- (vi) a moratorium is agreed or declared in respect of any indebtedness of the Company or any of its major Subsidiaries (and, in the case of a major subsidiary, is not lifted within 14 days of it being agreed or declared) or any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or a substantial part of the assets of the Company or any of its major subsidiaries; or
- (vii) the Shares cease to be listed on the Stock Exchange; or

- (viii) a “Change of Control” event occurs, when (i) any person or persons acting together, other than Chi Capital and parties acting in concert with it, acquires Control of the Company; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the assets of the Company to any other person or persons, acting together.

For the purpose of the definition of “Change of Control”, “Control” means (i) the direct or indirect ownership or control of more than 50% of the outstanding voting securities of the Company; (ii) the ability to appoint or remove more than one-third of the directors of the board (or equivalent governing body) of the Company; (iii) the right to control the votes at a meeting of the board of directors (or equivalent governing body) of the Company; or (iv) the ability to direct or cause the direction of the management and policies of the Company (whether by contract or howsoever arising).

Consequence of
Default:

Following the occurrence of an Event of Default, the holders of the Convertible Notes will have the right, at the option of such holder of Convertible Notes, to require the Company to immediately redeem all of such holder’s Convertible Notes at an amount equal to the higher of (i) 130% of the principal amount outstanding of the Convertible Notes to be redeemed; and (ii) 110% of the fair market value of the Convertible Notes.

The Second Convertible Notes

All material terms of the Second Convertible Notes shall be identical to that of the Convertible Notes, except for its principal amount, date of issue and maturity date. The Second Convertible Notes will be issued and will only be issued upon the exercise of the Call Option, which could be anytime within the next seven years. For the avoidance of doubt, the Second Convertible Notes will not be issued if the Call Option is not exercised. The Company will make further announcement(s) in relation to the issue of the Second Convertible Notes as and when appropriate.

MOU FOR “ASIASTAR” PLATFORM ACQUISITION

As disclosed in the announcement of the Company dated 10 September 2014, the Company has partnered with NYBB II, now owned by Silkwave Holdings, and entered into the MOU to acquire the capacity and certain assets of the current satellite AsiaStar and follow-on new satellites. The MOU gave the Company the ability to access the L-band spectrum to prepare for its satellite mobile multimedia services in Asia while it is in negotiation with related parties to acquire the whole satellite platform.

Both the Company and NYBB II have agreed to transfer the MOU obligations to Chi Capital as a result of the Sale and Purchase Agreement due to various business and regulatory issues.

As further disclosed in the announcement of the Company dated 27 October 2015, the Company has entered into an agreement with NYSH pursuant to which the Company has acquired the exclusive user rights for the AsiaStar satellite platform, which include rights to use the 40 MHz L-band spectrum, 105 degrees East orbital slot, spacecraft, ground uplink system, and relevant technologies and management team. No consideration is concluded for this acquisition as the Company is negotiating to acquire the AsiaStar satellite platform and related assets which the price will be considered together in the Sale and Purchase Agreement as a whole.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE DISPOSAL

The proposed Acquisition, if completed and combined with the Company’s resources, such as its CMMB multimedia technologies, Chinese satellite broadcasting service platform, as well as the recent milestone developments, will create a full-fledged Silkwave platform with end-to-end capabilities to deliver unprecedented mobile entertainment and data services universally to vehicles and mobile consumers over China, and later extending to One-Belt-One-Road Asia, while the Company is a strategic shareholder of Silkwave Holdings with management rights, business consolidation option, thereby enjoying the business upside with minimal risk.

Benefits of the Acquisition are further articulated as follows:

Instant Creation of a Full-fledged L-band Satellite Mobile Multimedia Business Platform for China and Regionally

At Completion, the Company will effectively combine its multimedia operating assets such as service and technology platform in China with the large satellite infrastructure assets of Silkwave Holdings to form a full-fledged satellite-based multimedia service platform with the necessary portfolio of technology, service platform, delivery infrastructure, operating approvals, management expertise to deliver L-band based satellite mobile multimedia services in China and later in One-Belt-One-Road Asia countries. The services will include live streaming of TV/video, audio, web-content downloads, and real-time telematics media services that bypass the conventional cellular network without bandwidth constraints, without data charges, and without bottleneck congestion. Leveraging on the 20% stake and the Call Option to acquire up to 51% of Silkwave Holdings plus management rights, the Company will be able to take advantage of this sprawling business platform with minimum capital outlay.

Effectively Monetizing Development Efforts While Retaining Upside

This new business lineup also represents a much more effective way for the Company to monetize its years of efforts and assets invested in developing mobile multimedia services. The Company aims to deliver next-generation mobile multimedia and data services ubiquitously to everyone from China to Asia by building a sprawling satellite platform. So far it has labored relentlessly to develop the relevant technologies and service platform and has been in talk to acquire the only available L-band satellite infrastructure in Asia central to its platform completion. However, recent global turmoil and financial market uncertainties have posed serious challenge to the Company. It is apparent that to acquire the needed satellite assets and develop into a full service platform will require tremendous upfront and on-going capital commitments from the Company over the next few years before major revenue will kick in, which will be very exhaustive and risky for the Company given its resources and the financial market environment. By merging its operating assets with the Silkwave satellite infrastructure, the Company has short-cut a development path which can synergize and monetize its assets and efforts while, through its stake in Silkwave Holdings, effectively retaining a certain degree of control and upside of a business it has envisioned, pioneered, and will continue to steer. Silkwave Holdings, with all the combined resources, will have a much greater certainty to succeed in deploying services and maximizing returns.

Drastically Reducing Future Capital Commitments

The Acquisition allows the Company with low entry cost and capital commitment to own, develop, manage and participate in all the upsides of the satellite mobile multimedia business in China and eventually regionally. It shifts away much of the extensive financial burden of acquiring the AsiaStar satellite infrastructure and new satellites such as Silkwave-1 as well as funding the terrestrial networks and business operations in China to the independent and better equipped Silkwave platform, which now can better attract financial and investment support from the global institutions and strategic investors.

Flexibility to Consolidate Successful Operation

Lastly, with the management rights and the Call Option, the proposed Acquisition will give the Company flexibility to consolidate Silkwave Holdings into the Company as it becomes successful and profitable.

The 49% equity interest in Global Vision will be transferred and injected into Silkwave Holdings. The Directors are of the view that the Disposal will allow the Group to effectively re-allocate resources to other business segments and consolidate the satellite platform and related businesses under Silkwave Holdings. Global Vision was set up to be the operating partnership with the Chinese government for broadcasting satellite-based mobile multimedia services to the mass-market. It signifies an operating entity to crystalize various political, technical, and business support in China. It will need to combine with the Company's satellite resources to be able to deliver services. By merging it with Silkwave Holdings, which the Company will own 20% with management rights, the Company integrates a satellite platform with a business platform to enable service offering in China.

With the partnership the Company gains regulatory support, approvals and licensing for the services as well as an ecosystem of industry players to join in and support the Company.

The Directors (excluding the independent non-executive Directors whose views will be expressed after considering the advice from the Independent Financial Adviser) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE THE CONVERSION SHARES

At the EGM, the Company will seek the grant of Specific Mandate from the Shareholders to allot and issue the Conversion Shares upon conversion of the Convertible Notes, which form part of the Consideration.

No listing of the Convertible Notes will be sought on the Stock Exchange or any other stock exchanges. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon the conversion of the Convertible Notes.

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE COMPLETION

The shareholding structures of the Company before and after the Completion and the conversion of the Convertible Notes in full (assuming no other issue or repurchase of Shares) are as follows:

Shareholder	Before the Completion and conversion of the Existing Convertible Notes ⁽¹⁾		After the Completion and full conversion of the Convertible Notes but before conversion of the Existing Convertible Notes ⁽¹⁾		After the Completion and full conversion of the Convertible Notes and the Existing Convertible Notes ⁽¹⁾	
	Number of shares	%	Number of shares	%	Number of shares	%
Chi Capital	552,882,000	29.47	2,415,282,000	64.61	2,644,083,475	66.65
Public	<u>1,323,078,800</u>	<u>70.53</u>	<u>1,323,078,800</u>	<u>35.39</u>	<u>1,323,078,800</u>	<u>33.35</u>
Total	<u>1,875,960,800</u>	<u>100.0</u>	<u>3,738,360,800</u>	<u>100.0</u>	<u>3,967,162,275</u>	<u>100.0</u>

Note:

1. “Existing Convertible Notes” refers to the United States dollar denominated convertible notes in the aggregate principal amount of US\$33,635,052 issued by the Company to Chi Capital on 22 July 2015, convertible into 228,801,475 Shares upon conversion in full.

For illustration purpose only, in the event that the Convertible Notes were fully converted (before the conversion of the Existing Convertible Notes), the Conversion Shares will represent approximately 99.3% of the entire issued share capital of the Company as at the date of this announcement, and approximately 49.8% of the entire issued share capital of the Company as enlarged by the issuance of the Conversion Shares on a fully diluted basis. Nevertheless, pursuant to the terms of the Sale and Purchase Agreement, Chi Capital will only be able to convert the Convertible Notes to the extent that (i) the public float of the Company would not fall below the Minimum Public Float and (ii) the Aggregate Beneficial Interest will not be equal to or exceed the Conversion Threshold as a result of any conversion of the relevant Convertible Notes triggering the obligation on the part of the holder of the Convertible Notes to make a mandatory General Offer pursuant to the Takeovers Code.

BUSINESS MODEL OF THE COMPANY

Background of the Company's existing model

The Group is principally engaged in provision of digital media broadcasting business and printed circuit boards ("PCB") agency services:

1. Digital media broadcasting - with advertising or capacity leasing fee:

Through the Company's subsidiaries, CMMB Vision USA and Chi Vision USA, 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. PCB agency service - Legacy PCB component trading business:

The Group earns agency fee income through buying and selling PCB components tailored to the manufacturing of communication and media devices.

Intended business model of the satellite services and integration of Silkwave Holdings with the Group's existing business

Upon Completion, the Company will remain as an investment holding company in the mobile media and entertainment sector with horizontal business integration and provide management rights to operate the various businesses and consolidating the relevant dividend incomes or revenues.

Satellite-Mobile Multimedia Operator

Silkwave Holdings operates as a mobile multimedia and data service provider for vehicles and mobile users primarily in China. The 20% stake in Silkwave Holdings will entitle the Company to earn dividend income. The management rights will entitle the Company to continue to integrate its expertise and steer the development of Silkwave Holdings under its vision. The Call Option will entitle the Company to consolidate the operations of Silkwave Holdings and hence its revenues under its consolidated financial statements when it becomes profitable.

The new Silkwave platform is expected to commence operation in late 2018 in China and when combined with the Company's assets as well as new partnership under developments, is as follows:

- Strategic partnership with China's largest connected-car alliance, Telematics Industry Application Alliance ("TIAA"), which will allow Silkwave Holdings to jointly develop and promote applications that will use the AsiaStar L-band satellite platform as the multimedia delivery standard for all connected cars in China. TIAA covers five technical fields of manufacturing, automotive electronics, automotive software, communication operation and service integration. It has a complete industrial cooperative chain and market service system. There are more than 200 members in TIAA including more than 50 core members in the world.

With such combinations, Silkwave Holdings is expected to quickly start trial services in China, testing different technologies and business models and exploring different operating partnership arrangement using the current AsiaStar satellite, and prepare for the eventual full commercial service launch in 2018.

Services expected to be offered through Silkwave Holdings include in-car multimedia entertainment and telematics and mobile entertainment to consumers (mobile TV, mobile theaters, popular Internet content downloads) etc. Revenue models include upfront service activation fee, premium subscription fee, advertising, and capacity leasing as follows:

Service commencement fee: Each user accessing the services will need to be registered online and pay a service commencement fee, and a digital key will be sent to the user to decrypt the signal to start enjoying services. This is an augmentation to the free-to-air service model.

Advertising fee: This would be the same as free-to-air broadcasting, as the Group will have advertisers to pay advertising airtime on its mobile TV programming.

Premium subscription: As viewership increases, the Group will offer premium contents with subscription. Viewers who want to watch programs such as specialty sports, music, talk show, TV dramas and movie channels would pay additional fees on a monthly basis. This is an augmentation to the current free-to-air model, i.e. mobile cable TV service.

Channel time sharing: The Group will lease mobile channels to content providers to broadcast their own programs. This is similar to the current terrestrial broadcasting channel leasing model, like Television Broadcasts Limited selling some timeslot to Radio Television Hong Kong to broadcast its programs such as Hong Kong Connection (鏗鏘集) and Headline Daily (頭條新聞). However, the Company expects that the provision of such services, if any, would be minimal.

Terrestrial Digital Media Broadcaster

The Company, through its US TV operating assets, namely CMMB Vision USA and Chi Vision USA, maintains exiting spectrum leasing and advertising services over free-to-air UHF TV broadcasting in the US. The satellite platform leverages the same technology originally developed for CMMB for greater economies of scale to enable the Company to capture mobile multimedia business with much greater scale and scope in terms of diversity of services, customer population, and geographical coverage. With its spectrum and business platform, the US TV will also serve as the platform to support Silkwave Holdings' global expansion into the US with the satellite-terrestrial convergence model.

PCB Agency Services Provider

The Company has been maintaining its PCB components trading business. It will continue so and expects to increase its presence with the up-and-coming satellite mobile multimedia ecosystem which the Company and Silkwave Holdings are steering in China. The ecosystem is expected to develop plentiful device applications based on the technology standard prescribed by the Company and hence create abundant PCB component demands for manufacturing mobile electronics, applications, software, logistics, and in-car entertainment systems. The Company's PCB trading business, being part of the mobile multimedia pioneering platform and on top of the value-chain, is expected to benefit from the flourishing of PCB components and with first-mover advantage.

INFORMATION ON SILKWAVE HOLDINGS

Silkwave Holdings was established in the Cayman Islands with limited liability on 19 April 2016. It was created by Chi Capital with the intent of consolidating the various satellite assets necessary to become a wholesome and independent operating company delivering next-generation mobile multimedia and data services to mobile users and vehicles. NYBB contributed its entire interest in NYBB II, which holds 80% equity interest in NYSH which ultimately owns the AsiaStar platform and Silkwave-1 platform, for a 45% equity interest in Silkwave Holdings. Chi Capital contributed its remaining 20% equity interest in NYSH plus total cost and a consideration of US\$290 million, for 55% equity interest in Silkwave Holdings. Pursuant to the agreement entered into between NYBB and Chi Capital in forming Silkwave Holdings, any party who wishes to dispose of any of its interest in Silkwave Holdings has to obtain prior written consent from the other party and shall share the profit arising from such disposal with the remaining party. It is beneficially held as to 55% by Chi Capital and 45% by NYBB (Cayman), a company designated by NYBB. As the date of the Sale and Purchase Agreement, Chi Capital is a 20% shareholder of NYBB.

Silkwave Holdings owns two major asset groups, the AsiaStar satellite platform and the Silkwave-1 satellites platform. Please refer to the section headed "Shareholding structure of Silkwave Holdings" below for further details.

The power and governing authority of Silkwave Holdings is its board of directors, which currently has 2 board seats, with each of Chi Capital and NYBB appointing one director. Upon the completion of the Sale and Purchase Agreement, the Company has a right to appoint one director and making the board of 3 directors. Resolutions of the board of directors of Silkwave Holdings require simple majority to pass.

In view that the Company has significant influence over Silkwave Holdings, Silkwave Holdings will be treated as an associate of the Company upon the completion of the Sale and Purchase Agreement. When the Call Option becomes exercisable and exercised, the Company will consolidate its equity interest in Silkwave Holdings thereafter.

The investment in an associate will be accounted for using the equity method. It is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise its share of the profit or loss and other comprehensive income of the associate.

Please also refer to the section headed “Financial information of Silkwave Holdings” below for certain financial information of Silkwave Holdings.

AsiaStar Platform

As at the date of this announcement, Silkwave Holdings owns 100% of NYBB II, which in turn owns 100% of NYSH, a Delaware registered company in the US, which in turn owns 100% of AsiaSpace Pty Limited of Australia, where the AsiaStar assets are held as follows:

- 1) Capacity of ASIABSS(105E) BSS Satellite (named AsiaStar), the spacecraft serves as a giant transmitter in the space that can send signals all the way to all devices on the ground under its footprint coverage. ASIABSS(105E) BSS Satellite still has an operating life until 2027 and will retire according to its latest health report from our satellite operator IntelSat. Once the satellite spacecraft depleted of its fuel it will come to the end of life and before that happens it will automatically descend to a graveyard orbit where other retiring satellites in the space will also congregate and a new satellite will need to be launched to replace the satellite.
- 2) 40 MHz of L-band spectrum from 1452-1492 MHz authorized for exclusive and priority use by ITU, an agency under United Nations; the spectrum covers China and the rest of Asia and their estimated 4.4 billion population. Such spectrum among all spectrum (i.e., L, S, Ku, Ka, C) is most appropriate for satellite-based mobile services because of its high penetration capability and long distant travel capability, hence a very small antenna on earth (one attached or embedded in a consumer mobile device) can readily receive the signal it carries, as opposed to have a big satellite dish for reception, which defeats the mobile purpose.

- 3) A geostationary orbital slot situated at 105 Degree East, which is approximately 35,000 km above the earth's equator which is currently occupied by AsiaStar which AsiaSpace Pty has exclusivity and priority use as authorized by the ITU. The geostationary orbit slot means satellite placed in it will have the right gravity pull from the earth to always move along with the earth own spinning in synchrony and never gets out of sight to the geographical footprint it is covering, hence enabling stable signal transmission at all time and optimal for satellite communication and broadcasting services. Other types of orbital slots are Low-Earth-Orbit (LEO), Medium-Earth-Orbit (MEO). Satellites placed in such orbits will spin around many times around and hence many satellites will be needed to orbit around following one another in order to relay the same signal transmission to earth.
- 4) Earth station for uplink originally built in Beijing, China, as well as Brisbane, Australia, which are composed of a physical premise with multiple satellite dish serving as antenna to transmit data content from data center connected to the premise directly to the receiver on our satellite in the orbit, which upon reception will downlink or broadcast the contents in the form of radio signals via L-band frequency propelled by the powerful transmitter built in the satellite to reach numerous users on the ground with ubiquity.
- 5) Satellite frequency signal landing in all Asian countries, which have been coordinated prior to the AsiaStar launch as coordinated by the ITU (International Telecom Union), the ultimate global regulatory body for global spectrum frequencies allocation for satellite and telecommunication under the United Nation.

Pre-acquisition Restructuring

In order to streamline the ownership and management of the AsiaStar platform, the parties agreed that as a condition to the Completion, (i) NYSH shall transfer 100% of the shares in AsiaSpace Pty Limited to Silkwave Holdings for nil or nominal consideration; and (ii) Silkwave Holdings shall dispose of NYBB II to an independent third party purchaser for nil or nominal consideration (the “**Pre-acquisition Restructuring**”).

Silkwave-1 Platform

Silkwave Holdings also owns 100% of Silkwave-1 LLC, a Delaware registered company in the US, which will own the future capacity of Silkwave-1 satellite under contract for construction by Boeing and which is expected to launch in 2018 to replace the ASIABSS(105E) BSS satellite to continue service. It is designed with 100 times greater transmission power and plenty of state-of-the-art capabilities such as multiple spot beam and frequency re-use capabilities.

Higher power satellite has greater penetration than lower power one, which means signals can directly reach consumer mobile devices just like 3G/LTE services, but with far greater content capacity over larger geographical area. This also means higher service quality and better user experience can be offered to more consumers at the same time and hence its proliferation to the mass market. This is the reason why the Company plans to launch full commercial services with Silkwave-1 while using AsiaStar to conduct trial services for the time being.

The key feature for Silkwave-1 stems from its beam forming and frequency re-use functions, which allow the same frequencies (i.e., beams) to be re-used over different regions, so that each region can carry its own sets of programming and collective a lot more program services can be offered to all the regions as if the spectrum capacity has been multiplied.

The Silkwave-1 satellite is capable of forming 100 different beams for 100 different regions, which means 100 different sets of programming can be delivered to 100 regions, hence vastly expanding the commercial opportunities.

Silkwave-1 was originally contracted by NYBB with Boeing, with the ownership of the satellite when constructed and launched to be held in Silkwave-1, LLC. Once Silkwave-1 is launched and brought-in-use in the same orbital as AsiaStar, it will replace AsiaStar to provide services with a lot more capacities.

Silkwave Holdings is yet to raise money to pay for the Silkwave-1 construction and launch. It is embarking on fund-raising exercises for a total amount of approximately US\$350 million payable over the next three years.

Media Assets

Silkwave Holdings has a media service platform that is operating direct-to-home satellite TV with content aggregation and customer service capabilities that can be scaled to service Asian customers out of Taiwan, Hong Kong, and the Philippines.

There are over 50 channels of licensed international and Chinese programming in operation over Asia currently providing Direct-to-Home (non-mobile) satellite TV services using third-party KU-band satellite.

BUSINESS PLAN OF SILKWAVE HOLDINGS AFTER THE COMPLETION

1. Business Nature

The Company aims to provide a dedicated next-generation mobile multimedia services to vehicles and mobile users in China using its CMMB platform offering services such as live mobile TV, video, audio channels, popular web-content downloads, and real-time telematics media services. It will target the China vehicle market as its core market and then extend to its mobile consumers and the One-Belt-One-Road Asian markets.

2. Market Demand and Mobile Bottleneck

- a. Digital revolution and proliferation of mobile devices have transformed Internet and media consumption from desk top and home TV to mobile screen, whether in car or on the move. As a result, mobile delivery consumption, especially video and multimedia, is creating crippling bandwidth shortages mobile bottleneck for our unicast-based one-to-one conventional mobile delivery networks 3G/4G/LTE, which are far from sufficient in accommodating such demand from a cost, capacity, and coverage, standard point.
- b. The one-to-one unicast architecture of mobile networks is not designed for the highly asymmetric nature of consumer demand for video today where 5% of Internet content typically accounts for 80% of all downloads. Exacerbating the congestion is the linear-limited growth of cellular network, which can only expand by getting more spectrum, building more cell sites, and waiting for more technological breakthroughs. When faced with 1000 times increase in data traffic in the next 10 years, and that billions of people in remote regions remained unconnected, Silkwave Holdings will need a new structural delivery solution.

3. Technology Solution

Together, Silkwave Holdings and the Company, offer a new structural platform:

- a. to complement the existing mobile network and solve the critical media delivery problem; and
- b. to develop a solution that utilizes the capability of one-to-infinite mobile digital broadcasting technology coupled with coverage of a high-power geostationary satellite transmitting in L-band (most desirable mobile spectrum) to do the heavy-lifting of delivering popular media, which bypasses and complements with the conventional mobile network to form a

seamless broadcast-unicast convergent platform mobile multimedia and data services to be readily receivable by mobile users anytime anywhere. Its distinct advantage is without data limit, data charges, and traffic congestion, while the coverage is geographically vast and ubiquitous.

4. Target Market

a. Vehicles:

i. Silkwave Holdings' core target market is the vehicles market, including passenger cars, trucks, commercial vehicles, trains and ships in China, which is the largest vehicle and mobile market boasting 250 million cars growing to 400 million, yet there has been no dedicated or effective in-car media services.

b. Other reasons for targeting the vehicles market are:

i. It is the era of electric cars and self-driving cars where consumers are increasingly looking in-car entertainment, information, and e-Commerce, as center of consumption.

ii. China has the number of cars in the world and yet very little in-car entertainment services due to prior technology and regulatory constraints.

iii. Less than 25% of China is covered with 4G, which is far from sufficient to provide nationwide car services.

5. Service Offering

a. With the CMMB platform capabilities, the Company will be able to provide unlimited live TV, video, audio channels, popular web-content downloads, and real-time telematics media services, which are unprecedented.

b. Our sales effort is done by working with car-makers and connected-car equipment suppliers for them to embed our technology in the form of a chipset as part of the overall connected-car device standard to be sold to car users as part of the overall car purchase.

- c. The Company will extend service offering to mobile consumers via our embedded WiFi re-transmission function in the car, which will quickly hone new consumer habit for mobile services and induce ecosystem players and telecom players to embed functions in next-generation mobile devices for the Company to operate an independent but similar connected service dedicated for mobile consumers.

6. **Business Strategy**

a. Building Infrastructure

- i. The first piece of building block for the Company to develop the business was to put in place a complete satellite delivery infrastructure capable of delivering mobile multimedia services to mobile devices.
- ii. Through a series of development effort this is culminated on the formation of Silkwave Holdings, which owns the full satellite infrastructure including:
 - 1. A geostationary L-band satellite “AsiaStar”, 40 MHz L-band spectrum, 105E orbital slot that can cover and service 4.4 billion population in Asia including China;
 - 2. New satellite “Silkwave-1” being constructed by Boeing bolstering 100x more power launching in 2018 to replace; and
 - 3. A satellite media service operating platform with 50+ video channels merged from Dish-HD, a leading Direct-to-Home satellite service operator in Asia.
- iii. Silkwave Holdings, combined with the Company’s groundbreaking mobile convergence multimedia technologies, together they form the CMMB delivery platform, in which large amount of mobile contents can be delivered to billions of mobile devices and vehicles simultaneously over a vast geographical region and at very low-cost to users while they are still seamlessly interacting with cellular services.

b. Building Regulatory and Political Support

- i. For the service to be operated in China, Chinese regulatory approval is paramount.
- ii. The Company has consummated the Global Vision joint-venture with Global Media Broadcasting Group (“GMG”) under China Radio International of SAPPRT, the ultimate government media regulator and operator in China. Such a platform will allow services to be operated officially and legitimately throughout China. The platform is then merged into Silkwave Holdings to enable the satellite infrastructure to carry services in China.
- iii. Silkwave Holdings is also participating in government’s larger national development efforts such as becoming part of the space infrastructure for national information consumption, triple integration of broadcast-telecom-Internet, and One-Belt-One-Road service deployment in Asia. As a result, its multimedia development has been designated as a 10-year national key project, which is eligible for multiple levels of political and economic support.

c. Building Service Operating Platform

- i. Global Vision platform with exclusive operating franchise
 1. The Global Vision joint-venture will act as the exclusive operating platform with licensing and approval to carry out the essential and highly regulated business activities, such as content aggregation and supervision, uplink, downlink and broadcasting services, spectrum utilization.
 2. It will leverage on the immense media capabilities of GMG for content access and operations, as GMG represents one of top three state-level media operator with complete content collection of video, radio, data multimedia as well as own production. It runs radio, TV, IPTV, and other media services with a national franchise.
 3. With such a platform, the Company would be able to develop commercial services tailored for cars, mobile users, and enterprises.

d. Building Ecosystem Support

i. Technology Standard Development:

1. The services the Company is offering are unprecedented and would require a dedicated ecosystem for support.
2. At the top of the ecosystem is the technology standard protocol, that will drive various industry players such as application providers, device makers, equipment providers, system integrators, software providers, content providers, etc., to develop technologies and services based on the standard.
3. As the global leader in mobile technology standard development, including WiMax, CMMB, OFDMA/LTE and TD-SCDMA., the Company has been working with various Chinese ministries to develop the technology standard NGB-W/S that tailors to the Silkwave satellite platform which will evolve to be the technology standard that will command the support of the ecosystem.

ii. Ecosystem Development

1. TIAA

- a. To gain and leverage ecosystem support to promote its services in scale and scope, the Company has consummated a strategic partnership with China's premier connected-car ecosystem alliance, TIAA, to develop and promote L-band satellite as a standard for connected car multimedia and telematics media services delivery.
- b. TIAA is comprised of major car-makers, network operators, ecosystem providers and multiple government ministries, which gives a very effective B-to-B platform for Silkwave Holdings to market its services to China's car market. It presents numerous potential operating partners to the Company for applications, content, sales and marketing, and operation which will enable the Company to short-cut its development cycle to reach commercial scalability.

7. **Business Model for Vehicles**

a. Service Offering

i. Live Mobile media entertainment:

1. Services will be dedicated to high-definition entertainment programs such as 50+ live video channels and 100+ audio channels.

ii. Real-time webpage and web content downloads:

1. It will also offer dedicated popular Internet webpage downloads by partners with Internet, OTT, or e-Commerce providers which provide real-time update and downloads, so that users can always access the top websites without relying on the cellular networks.

iii. Real-time value-added data services:

1. Car telematics (GPS, precision-position, location-based services)
2. Location and target-based advertising
3. Government essential information broadcasting services: public information, health, safety, national emergence

b. Revenue Models

i. Activation Fee:

1. For vehicles, we will charge an upfront activation fee to be embedded in the purchase price of the car payable by customers while offering three years of free services. Afterward we will charge equivalent monthly subscription payable upfront every three years.

ii. Premium Content:

2. We will charge premium to on-demand channels and content.

iii. Advertising:

3. Our ultimate goal is to be able to generate most revenue from advertising, as our service represents a closed mobile TV or theater in the car with numerous captive eyeballs. In addition, we have user behavior feedback capability built-in in our in-car system with big-data analysis support, which will enable us to offer programming to what specific users want and hence their commercial value. As such, we expect to become the largest in-car mobile and targeted advertiser overtime.

8. Service Operating Example

a. Sale of Mobile Multimedia Enabled Device:

- i. Multimedia device module will be embedded in OEM cars or sold as after-market portable devices to customers for prices that will include Company's activation fee, which will be set in very modest term to encourage maximum market adoption.

b. Service Activation and Operation:

- i. The Company will provide services by uplinking programs via its Global Vision joint venture platform to its satellite, which in turn will broadcast the programs nationwide.

c. Content and Service:

- i. The Company expects to work with multiple content and service providers on a revenue — sharing basis, so that the Company does not have to bear content purchase, maintenance and production cost during the early years of business development, hence allowing stable and manageable operating costs.

d. Service Consumption:

- i. Vehicles with enabled devices whether built-in as part of the connected car system or standard alone system can readily receive the service, for free.

- e. Revenue Generation:
 - i. *Activation Fee*: Upon sale of device, the Company will receive activation fee upfront and will provide service for free for three years. Thereafter, customers need to renew service via upfront monthly subscription.
 - ii. *Premium Subscription*: Customers can ask for on-demand services via Internet by paying additional fee on-line. An encryption key will be automatically sent to the designated vehicle devices to allow for additional reception of services purchased.
 - iii. *Advertising*: The Company will work with advertisers to embed advertisement in programs for an advertising fee. Customers can request advertising to be turned off by paying an additional fee.
- f. Revenue-sharing:
 - i. With revenues generated by the operation, certain percentage will first go to Global Vision joint venture for providing managed consumed services, then our content and service partners.
 - ii. The Company anticipates to operate an open (and exclusive) platform to encourage a broad base of service providers to join the partnership and help proliferate company's services to the mass-market.
 - iii. The Company expects to keep an operating margin around 30% - 40% over time.

9. Business Model for Vehicles

- a. Services will be extended to mobile devices such as smartphone and iPad or mobile dongles as a separate but similar service package after vehicle launch, so that mobile users can enjoy the services anywhere independently.
- b. Successful vehicle launch will speed up mobile consumer offering as device ecosystem suppliers and telecom providers will take the lead to embed satellite function into consumer mobile handsets and smartphones.
- c. Revenue model will be mostly based on free services with advertising, without upfront activation fee.
- d. Premium subscription for on-demand content will remain.
- e. It is expected free service model will quickly proliferate services to mobile users to build up eyeballs for advertising.

10. Business Execution Plan

- a. Phase 1 (Now to 2018) - Trial services under AsiaStar platform
 - i. With the integrated Silkwave platform in place upon completion of the Acquisition, the Company will officially commence trial services upon the approval from SAPPRT. The trial service will be participated by strategic partners and those from the TIAA and AsiaStar will provide the necessary spectrum for support.
 - ii. The business objective of this phase is to validate technology and business model and develop operating partnership to prepare for the full commercial service launch planned for 2018 when the Silkwave-1 satellite is launched. Potential strategic partners from neighboring countries in Asia will also be invited to participate in the trial.
 - iii. Selected regions such as Chongqing and other major cities with significant auto population will be used to set up trial network initial, which will be gradually extended to include other cities.
 - iv. The trial will start with technology testing and services validation while allowing the Company to explore and form more permanent operating partnership, and it will evolve to a beta trial where actual commercial services in limited quantity will be provided.
 - v. AsiaStar will provide the necessary spectrum capacity to support the trial, which is expected to have operating life until 2027.
 - vi. There is not significant revenue expected to be generated during the trail phase.
- b. Phase 2 (2018 and afterwards) - Full Commercial Launch under Silkwave-1:
 - i. Launch full-scale commercial services in 2018 once Silkwave-1, which will replace AsiaStar with its 100 times strong transmission and many new capabilities to massively scale up the beta services and start to generate significant and sustainable revenues for the years to come. Silkwave-1 is expected to have 15 years of life.
 - ii. Services as a result of the new capabilities and power level will be more comprehensive and population coverage will drastically increase and various revenue models will kick-in.
 - iii. Services are also to be gradually extended to smartphone consumers after 2018.

- c. Phase 3 — One-Belt-One-Road Expansion
 - i. Parallel service launch in other Asian countries with our strategic partners will be expected. Silkwave-1 has dedicated beam to cover China, India, and Southeast Asia to offer independent services.
 - ii. Significant revenue is expected to add to the Company with the new markets.

11. Financial Projection

- a. Based on the company business plan, it expects to reach 8.4% market penetration or 19.3 million cars by 2022, and 64.2 million mobile users.

12. Capital Market Fund-raising

- a. Raising US\$ 350 million to finance the “Silkwave-1” Boeing satellite procurement by Silkwave Holdings.

13. One-Belt-One-Road Expansion

- a. Following successful launch of services in China, Silkwave Holdings will extend its services to other Asian markets by leveraging existing satellite infrastructure and low-cost ecosystem support as well as China’s “Silk Road Initiatives”.
- b. Under One-Belt-One-Road, China will provide significant financial and economic resources to neighboring countries for development along the ancient “Silk Road” trade route that stretches from Asia to Africa and Europe.
- c. With Silkwave Holdings’ airwaves already operating over most of the region, it is well poised to benefit from the initiatives to bring modern media and Internet service to Silk Road countries and hone a global franchise.
- d. Letters of intent have been signed with regional partners for Silkwave Holdings to provide its services.

Financial information of Silkwave Holdings

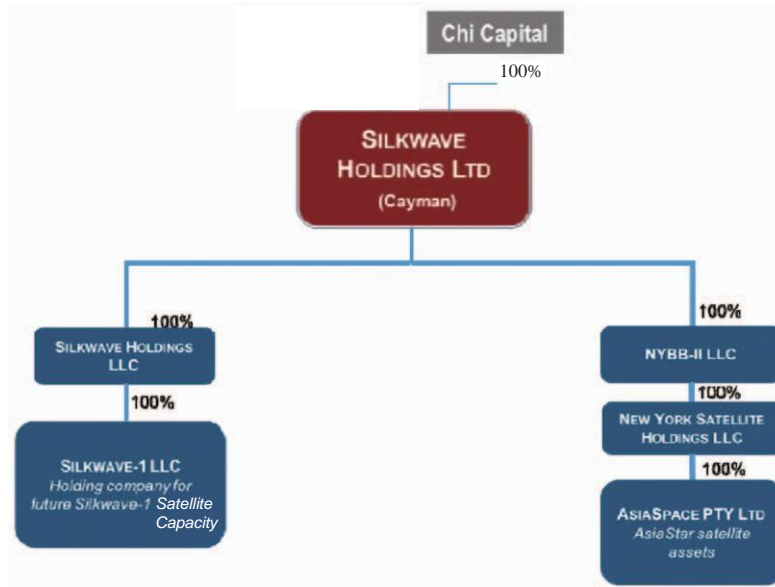
Silkwave Holdings was incorporated on 19 April 2016. The following financial information is extracted from the consolidated management accounts of Silkwave Holdings which includes the financial information of NYBB II and Silkwave Holdings LLC, which is 100% owned by Silkwave Holdings.

	Date of incorporation to 30 September 2016
	<i>US\$ million (unaudited)</i>
Loss before tax	—
Income tax expense	—
Net loss for the period	—
Net	value
358.67	assets

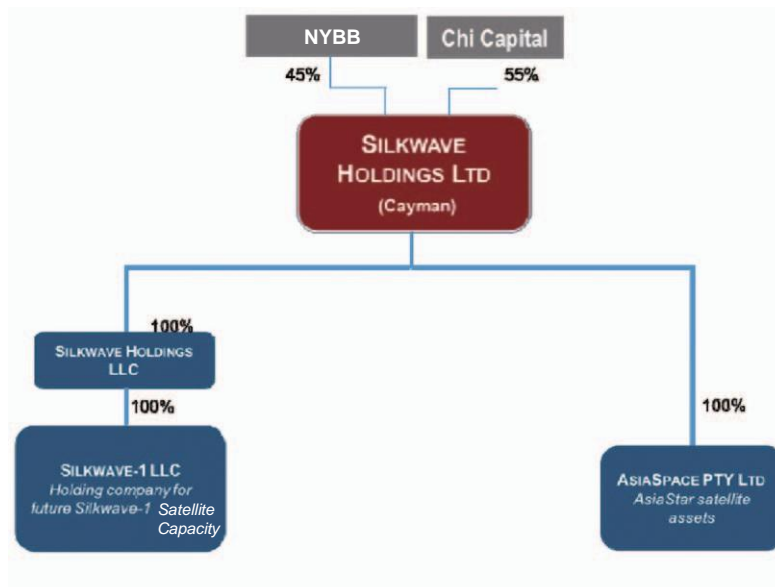
Shareholding structure of Silkwave Holdings

The shareholding structures of Silkwave Holdings before and after the Completion are as follows:

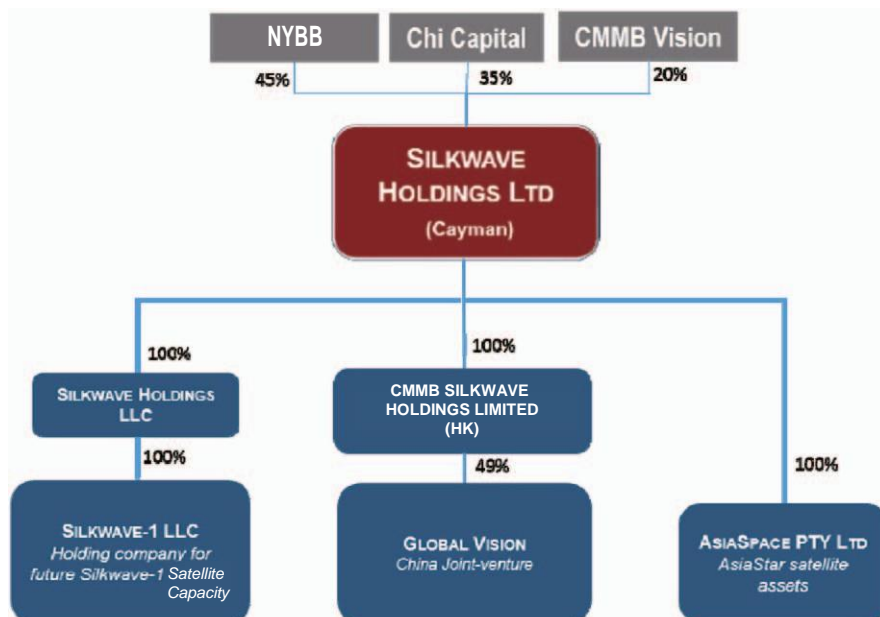
Before the Pre-acquisition Restructuring and the Completion:



After Pre-acquisition Restructuring but before Completion



After the Completion:



INFORMATION ON GLOBAL VISION

Global Vision is a joint venture set up between the Company and Global Broadcasting Media Group and is owned as to 49% by the Company and 51% by GMG. Based on satellite transmission services technology platform, Global Vision carries multimedia services satellite technology development and promotion and provides satellite multimedia content delivery of technical support services. It is engaged in research and development, design of mobile multimedia services, technology and products and provision of technical advice, technical services, technology transfer.

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 Group, an executive Director and the chairman of the Board. The principal business of Chi Capital is investment holdings.

As at the date of this announcement, Chi Capital beneficially owned 552,882,000 Shares, representing approximately 29.47% of the issued share capital of the Company. Chi Capital also beneficially owns convertible notes issued by the Company in the principal amount of US\$28,335,052, convertible into a total 219,880,000 Shares (subject to adjustment) upon conversion in full and LA convertible notes in the principal amount of US\$5,300,000, convertible into a total 8,921,475 Shares (subject to adjustment) (collectively the “**Existing Convertible**

Notes”). Mr. Wong Chau Chi, as the sole shareholder of Chi Capital, is deemed to be interested in the 552,882,000 Shares and the Existing Convertible Notes beneficially owned by Chi Capital under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance.

INFORMATION ON THE GROUP

The principal business activity of the Group is the development and promotion of CMMB-based multimedia and interactive services. In China, the Group has been the principal developer for the CMMB and NGB-W technology and a value-added service provider in support of SAPPRFT’s CMMB services. Outside the PRC, the Group intends to provide turnkey solutions to develop and deploy CMMB-based system, network, business platform to international markets and participates in service operations through local partnerships so as to promote CMMB into an international standard and build a global CMMB franchise.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios in respect of the Acquisition as calculated under Chapter 14 of the Listing Rules exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. As certain applicable percentage ratios in respect of the Disposal exceed 25% but are less than 75%, the Disposal would constitute a major transaction of the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.24 of the Listing Rules, the Acquisition and the Disposal as a whole are subject to the reporting, disclosure and/or shareholder approval requirements applicable to very substantial acquisitions.

In addition, Mr. Wong Chau Chi, being an executive Director, is a connected person of the Company, and hence Chi Capital, being an associate of Mr. Wong Chau Chi, is also a connected person of the Company under the Listing Rules. Accordingly, the Sale and Purchase Agreement and the Acquisition and the Disposal thereunder constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Therefore, the Sale and Purchase Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and shareholders’ approval requirements set out in Chapter 14 of the Listing Rules and the reporting, announcement and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The part of the Consideration to be paid by the Company in cash, to the extent that it is outstanding, constitutes a financial assistance received by the Group from a connected person, namely Chi Capital, which is fully exempt from shareholders’ approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules as such financial assistance is conducted on normal commercial terms or better, and it is not secured by the assets of the Group.

EGM

The EGM will be convened as soon as practicable at which ordinary resolutions will be proposed for the Independent Shareholders to consider, and, if thought fit, to approve (i) the Sale and Purchase Agreement and the transactions thereunder; and (ii) the grant of the Specific Mandate. Pursuant to the Listing Rules, at the EGM, Mr. Wong Chau Chi and his associates, including Chi Capital, are required to abstain from voting on such ordinary resolutions. Voting at the EGM will be conducted by poll.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to whether (i) the terms and conditions of the Sale and Purchase Agreement and the transactions thereunder; and (ii) the Specific Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. None of the members of the Independent Board Committee has any material interest in the Acquisition.

With the approval of the Independent Board Committee, the Company has appointed Veda Capital as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the terms and conditions of the Sale and Purchase Agreement and the Specific Mandate.

CIRCULAR

The Circular containing, amongst other information, (i) further details of the Acquisition and the Disposal; (ii) further information on the Specific Mandate; (iii) a letter from the Independent Board Committee advising the Independent Shareholders in respect of the terms and conditions of the Sale and Purchase Agreement and the Specific Mandate; (iv) a letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the terms and conditions of the Sale and Purchase Agreement and the Specific Mandate; and (v) a notice of the EGM, will be dispatched to the Shareholders. As additional time is required by (i) the Company's valuers to finalize the valuation report of the Acquisition; and (ii) Veda Capital to finalize its advice to the Independent Board Committee, both of which will be included in the Circular, it is currently expected that the Circular will be dispatched to the Shareholders on or before 31 January 2017.

Warning: Shareholders and potential investors should note that the completion of the Sale and Purchase Agreement is subject to the fulfillment of various conditions precedents and the Acquisition may or may not proceed to completion. Accordingly, Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of 2,000 ordinary shares representing 20% of the issued share capital of Silkwave Holdings pursuant to the Sale and Purchase Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Call Option”	the option for the Company to acquire additional equity interest in Silkwave Holdings from Chi Capital within the next 7 years after the Completion, to an equity interest of up to 51%
“Chi Capital”	Chi Capital Holdings Ltd, a company incorporated under the laws of the British Virgin Islands with limited liability, which is wholly-owned by Mr. Wong Chau Chi, the chief executive officer of the Group, an executive Director and the chairman of the Board
“Chi Vision USA”	Chi Vision USA Corporation, a non-wholly owned subsidiary of the Company, incorporated under the laws of Delaware, US with limited liability and is owned as to 79% by the Company, 20% by NYBB and 1% by Chi Capital
“Circular”	the circular to be dispatched to the Shareholders setting out further details on the Acquisition, Disposal and Specific Mandate, and containing a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and the notice of the EGM

“CMMB”	China Mobile Multimedia Broadcasting, a digital mobile multimedia technology developed by and currently commercially deployed in China under the SAPPRT. It can deliver digital mobile television and multimedia contents via both terrestrial and satellite networks directly to mobile and wireless devices such as smartphone, tablet, pocket television, lap-tops, automobile digital receivers and personal media player that are equipped with a CMMB—enabled chipset. Its broadcast oriented delivery can render data contents to be received anytime anywhere with enormous scale and cost efficiency and encounter no traffic interruption or bandwidth squeeze typical of today’s unicast-based cellular network. The signals can be received over 350 kilometer/hour without distortion. The technology is also known as sTiMi (Satellite and Terrestrial Interactive Mobile Infrastructure”)
“CMMB Vision USA”	CMMB Vision USA Inc., a non-wholly owned subsidiary of the Company, incorporated under the laws of Delaware, US with limited liability and is owned as to 51% by the Company and 49% by Chi Capital
“Company”	CMMB Vision Holdings Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition and Disposal
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of US\$240 million for the Acquisition
“Conversion Share(s)”	the 1,862,400,000 new Shares to be issued by the Company to Chi Capital pursuant to the exercise of the conversion rights attached to the Convertible Notes
“Convertible Notes”	the notes with a total principal amount of US\$96 million to be issued by the Company to Chi Capital as part of the Consideration, convertible into Shares at HK\$0.4 per Conversion Share
“Director(s)”	the directors of the Company

“Disposal”	the disposal of 49% equity interest in Global Vision by the Company as part of the Consideration
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement, the Acquisition and the Disposal contemplated thereunder and to grant the Specific Mandate
“General Offer”	an offer to buy all Shares from all Shareholders
“Global Vision”	國廣中播傳媒技術有限公司 Global Vision Media Technology Company, a joint venture company set up by the Company and Global Broadcasting Media Group, of which the Company holds 49% and Global Broadcasting Media Group holds 51% as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board established by the Board to advise the Independent Shareholders on the terms of the Sale and Purchase Agreement, the Acquisition, the Disposal and the grant of the Specific Mandate
“Independent Financial Adviser”	Veda Capital Limited, a licensed corporation under the Securities Futures Ordinance licensed to conduct Type 6 (advising on corporate finance) of the regulated activities under the Securities Futures Ordinance, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of (1) the terms of the Sale and Purchase Agreement; (ii) the Acquisition and the Disposal; and (iii) the grant of the Specific Mandate

“Independent Shareholders”	the Shareholders other than (i) Chi Capital and parties acting in concert with it; (ii) Mr. Wong Chau Chi and his associates; and (iii) those who are involved in or interested in the Sale and Purchase Agreement, the Acquisition; and/or the Specific Mandate
“ITU”	International Telecommunication Union, a United Nations agency and the ultimate global regulatory body for global spectrum frequencies allocation for satellite and telecommunication
“Last Trading Day”	31 October 2016, being the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MHz”	mega hertz
“MOU”	the memorandum of understanding entered into by the Group and NYBB II as disclosed in the announcement of the Company dated 10 September 2014
“NYBB”	New York Broadband, LLC, a company incorporated under the laws of Delaware, US and is currently held by 3 individual shareholders who are independent and not connected persons to the Company as to 80% and Chi Capital, a connected person of the Company, as to 20%.
NYBB (Cayman)	New York Broadband Limited, a company incorporated under the laws of the Cayman Islands and is beneficially held by 3 individual shareholders who are independent and not connected persons to the Company as to 80% and Chi Capital, a connected person of the Company, as to 20%; which has the same shareholder structure of NYBB.
“NYBB II”	New York Broadband II, LLC, a limited liability company incorporated under the laws of Delaware, US and is owned as to 100% by Silkwave Holdings immediately prior to the signing of the Sale and Purchase Agreement
“NYSH”	New York Satellite Holdings, LLC, a limited liability company incorporated in Delaware, US and is owned as to 100% by NYBB II

“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong and Taiwan
“Pre-acquisition Restructuring”	has the meaning as defined in the section headed “INFORMATION ON SILKWAVE HOLDINGS — AsiaStar Platform — Pre-Acquisition Restructuring”, being certain transactions to be entered into by Silkwave Holdings and its subsidiaries before the Completion
“Sale and Purchase Agreement”	the sale and purchase agreement dated 31 October 2016 entered into between the Company as the purchaser and Chi Capital as the seller with respect to the sale and purchase of 20% equity interest in Silkwave Holdings
“SAPPRFT”	the State Administration of Press, Publication, Radio, Film, and Television (國家廣播電影電視總局) of the PRC
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Silkwave Holdings”	Silkwave Holdings Limited, a company incorporated under the laws of the Cayman Islands, beneficially held as to 55% by Chi Capital and 45% by NYBB immediately prior to the signing of the Sale and Purchase Agreement
“Specific Mandate”	a specific mandate to be considered and, if thought fit, granted by the Shareholders to the Board to issue the Conversion Shares upon conversion of the Convertible Notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“US”	the United States of America
“US\$” or “USD”	US dollar, the lawful currency of US

“Veda Capital” Veda Capital Limited, the independent financial adviser to the Independent Board Committee and the independent Shareholders in respect of the Sale and Purchase Agreement, the Acquisition and the Disposal and the Specific Mandate

“%” per cent

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

Hong Kong, 31 October 2016

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