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CHI CAPITAL HOLDINGS LTD
(Incorporated in the BVI with limited liability)



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)

JOINT ANNOUNCEMENT

**(1) CONVERSION OF CONVERTIBLE NOTES AND
PURCHASE OF SHARES OF CMMB VISION HOLDINGS LIMITED
BY THE OFFEROR;**

**(2) MANDATORY UNCONDITIONAL CASH OFFERS BY
KINGSTON SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE
ALL THE ISSUED SHARES OF CMMB VISION HOLDINGS LIMITED
AND
FOR THE CANCELLATION OF ALL THE OUTSTANDING OPTIONS OF
CMMB VISION HOLDINGS LIMITED (OTHER THAN
THOSE ALREADY OWNED BY THE OFFEROR AND PARTIES
ACTING IN CONCERT WITH IT);**

**AND
(3) RESUMPTION OF TRADING**

Joint Financial Advisers to the Offeror



A. CONVERSION OF CONVERTIBLE NOTES AND SALE AND PURCHASE OF SHARES

Partial Conversion of Convertible Notes

On 26 November 2021 (after trading hours of the Stock Exchange), the Company has received a conversion notice from the Offeror for the exercise of the conversion rights attached to the Convertible Notes to exercise a total of 108,571,428 Partial Conversion Shares at HK\$0.35 per Conversion Share. The 108,571,428 Partial Conversion Shares have been issued to the Offeror on 30 November 2021.

Immediately after the allotment and issue of the Partial Conversion Shares, the number of issued shares of the Company has been increased to 479,374,860 Shares and the Partial Conversion Shares represent approximately 29.28% of the total issued share capital of the Company immediately before the allotment and issue of the Partial Conversion Shares and approximately 22.65% of the total issued share capital of the Company as enlarged by the allotment and issue of the Partial Conversion Shares.

Purchase of Shares

Furthermore, on 1 December 2021 the Company was also informed by the Offeror before trading hours of the Stock Exchange that the Offeror has purchased on the market an aggregate of 103,428,000 Sale Shares, representing approximately 21.58% of the total issued share capital of the Company as at the date of this joint announcement, through block trade transactions on the Stock Exchange during the pre-market opening session on 1 December 2021 at HK\$0.40 per Sale Share and completion took place simultaneously.

The vendors of the Sale Shares and their ultimate beneficial owners are independent third parties who are not connected persons of the Offeror and its connected persons or the Offeror's Concert Parties.

B. MANDATORY UNCONDITIONAL CASH OFFERS

Immediately prior to the Partial Conversion and the Completion, the Offeror and the Offeror's Concert Parties owned (i) an aggregate of 33,429,268 Shares, representing approximately 9.02% of the total issued share capital of the Company immediately before the allotment and issue of the Partial Conversion Shares; (ii) 270,000 Options; and (iii) the Convertible Notes. Immediately after the Partial Conversion, the Completion and as at the date of this joint announcement, the Offeror and the Offeror's Concert Parties are in aggregate interested in (i) 245,428,696 Shares, representing approximately 51.20% of the total issued share capital of the Company as at the date of this joint announcement; (ii) 270,000 Options; and (iii) the Convertible Notes in the outstanding amount of US\$60.1 million. In accordance with Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for the Offer Shares, being all the issued Shares other than those Shares already owned by the Offeror and the Offeror's Concert Parties.

Kingston Securities, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.40 in cash

The Share Offer Price of HK\$0.40 per Offer Share is equal to the purchase price per Sale Share paid by the Offeror under the Purchases.

For each of the 384,200 Offer Options with an exercise price of HK\$0.30 HK\$0.10 in cash

For each of the 1,445,000 Offer Options with an exercise price of HK\$0.275 HK\$0.125 in cash

Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise prices of the Offer Options and the Share Offer Price. Under the Option Offer, since the exercise prices of the Offer Options, being HK\$0.30 and HK\$0.275, are below the Share Offer Price of HK\$0.40, the Offer Options are in-the-money and the Option Offer Prices are set at the see-through prices of HK\$0.10 and HK\$0.125 respectively.

The Offers are unconditional in all respects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

Based on the Share Offer Price of HK\$0.40 per Share, 233,946,164 Offer Shares and 1,829,200 Offer Options:

- (i) Assuming that no Offer Options are exercised and the Share Offer is accepted in full:
 - (a) the value of the Share Offer will be approximately HK\$93,578,465.6;
 - (b) the total amount to satisfy the cancellation of all Offer Options will be approximately HK\$219,045.0; and
 - (c) the aggregate amount to satisfy the Offers will be approximately HK\$93,797,510.6
- (ii) Assuming that all Offer Options are exercised and the Share Offer is accepted in full:

- (a) the value of the Share Offer will be approximately HK\$94,310,145.6;
- (b) no amount will be payable by the Offeror under the Option Offer; and
- (c) the aggregate amount to satisfy the Offers will be approximately HK\$94,310,145.6.

In view of the above, the Offers are valued at approximately HK\$94,310,145.6 in aggregate, being the higher amount of scenarios (i) and (ii) above. The Offeror intends to finance the maximum consideration payable under the Offers of approximately HK\$94.3 million through a loan facility of HK\$146.0 million under the Loan Agreement.

Kingston Corporate Finance, being one of the joint financial advisers to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptances of the Offers.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give recommendation to the Independent Shareholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers. An Independent Financial Adviser will be appointed to advise the Independent Board Committee in respect of the Offers, and in particular, as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers. Further announcement(s) will be made by the Company in this regard.

Maintaining the listing status of the Company and public float

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offers. The sole director of the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

Despatch of Composite Document

It is the intention of the Offeror and Company to combine the offer document and the offeree board circular into the Composite Document, which will contain, amongst other things, (i) details of the Offers; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, together with the relevant form of acceptance.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. The Composite Document will be despatched to the Shareholders in accordance with the requirements of the Takeovers Code.

C. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:37 a.m. on 1 December 2021 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 8 December 2021.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to acceptance of the Offers in this joint announcement, and strongly recommend the Independent Shareholders and the Optionholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee in respect of the Offers and a letter of advice from the Independent Financial Adviser.

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

A. CONVERSION OF CONVERTIBLE NOTES AND SALE AND PURCHASE OF SHARES

Partial Conversion of Convertible Notes

On 26 November 2021 (after trading hours of the Stock Exchange), the Company has received a conversion notice from the Offeror for the exercise of the conversion rights attached to the Convertible Notes to exercise a total of 108,571,428 Partial Conversion Shares at HK\$0.35 per Conversion Share. The 108,571,428 Partial Conversion Shares have been issued to the Offeror on 30 November 2021.

Immediately after the allotment and issue of the Partial Conversion Shares, the number of issued shares of the Company has been increased to 479,374,860 Shares and the Partial Conversion Shares represent approximately 29.28% of the total issued share capital of the Company immediately before the allotment and issue of the Partial Conversion Shares and approximately 22.65% of the total issued share capital of the Company as enlarged by the allotment and issue of the Partial Conversion Shares.

Purchase of Shares

Furthermore, on 1 December 2021, the Company was also informed by the Offeror before trading hours of the Stock Exchange that the Offeror has purchased on the market an aggregate of 103,428,000 Sale Shares, representing approximately 21.58% of the total issued share capital of the Company as at the date of this joint announcement, through block trade transactions on the Stock Exchange during the pre-market opening session on 1 December 2021 at HK\$0.40 per Sale Share and completion took place simultaneously. The Consideration was satisfied by the loan facility under the Loan Agreement.

The vendors of the Sale Shares and their ultimate beneficial owners are independent third parties who are not connected persons of the Offeror and its connected persons or the Offeror's Concert Parties.

B. MANDATORY UNCONDITIONAL CASH OFFERS

Immediately prior to the Partial Conversion and the Completion, the Offeror and the Offeror's Concert Parties owned (i) an aggregate of 33,429,268 Shares, representing approximately 9.02% of the total issued share capital of the Company immediately before the allotment and issue of the Partial Conversion Shares; (ii) 270,000 Options; and (iii) the Convertible Notes. Immediately after the Partial Conversion, the Completion and as at the date of this joint announcement, the Offeror and the Offeror's Concert Parties are in aggregate interested in (i) 245,428,696 Shares, representing approximately 51.20% of the total issued share capital of the Company as at the date of this joint announcement; (ii) 270,000 Options; and (iii) the Convertible Notes in the outstanding amount of US\$60.1 million. In accordance with Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for the Offer Shares, being all the issued Shares other than those Shares already owned by the Offeror and the Offeror's Concert Parties.

Principal terms of the Share Offer

Kingston Securities will, on behalf of the Offeror and in compliance with the Takeovers Code, make the Share Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.40 in cash

The Share Offer Price of HK\$0.40 per Offer Share is equal to the purchase price per Sale Share paid by the Offeror under the Purchases.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all encumbrances and together with all rights attaching thereto, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Share Offer is made, being the date of the Composite Document.

The Share Offer is unconditional in all respects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

Comparison of value

The Share Offer Price of HK\$0.40 per Offer Share represents:

- (i) a discount of approximately 13.98% to the closing price of HK\$0.465 per Share quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 5.26% over the closing price of HK\$0.38 per Share quoted on the Stock Exchange on the Last Full Trading Day;
- (iii) a premium of approximately 3.90% over the average of the closing prices quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Full Trading Day of approximately HK\$0.385 per Share;
- (iv) a premium of approximately 0.76% over the average of the closing prices quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Full Trading Day of approximately HK\$0.397 per Share;
- (v) a discount of approximately 3.19% to the average of the closing prices quoted on the Stock Exchange for the thirty consecutive trading days immediately prior to and including the Last Full Trading Day of approximately HK\$0.413 per Share;
- (vi) a discount of approximately 76.77% to the audited consolidated net assets attributable to the Shareholders per Share of approximately HK\$1.7220 as at 31 December 2020, calculated based on the audited consolidated net assets attributable to the Shareholders of approximately US\$106,103,000 (equivalent to approximately HK\$825,481,340) as at 31 December 2020 and 479,374,860 Shares in issue as at the date of this joint announcement; and
- (vii) a discount of approximately 73.03% to the unaudited consolidated net assets attributable to the Shareholders per Share of approximately HK\$1.4833 as at 30 June 2021, calculated based on the unaudited consolidated net assets attributable to the Shareholders of approximately US\$91,398,000 (equivalent to approximately HK\$711,076,440) as at 30 June 2020 and 479,374,860 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

During the six-month period immediately preceding 7 December 2021 (being the commencement of the Offer Period) and the period up to and including the Last Trading Day:

- (i) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.490 per Share on 23 September 2021; and
- (ii) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.228 per Share on 8 September 2021.

Principal terms of the Option Offer

Kingston Securities will, on behalf of Offeror and in compliance with the Takeovers Code, make the Option Offer to the Optionholders to cancel all outstanding Options. Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise prices of the Offer Options and the Share Offer Price. Under the Option Offer, since the exercise prices of the Offer Options, being HK\$0.30 and HK\$0.275, are below the Share Offer Price of HK\$0.40, the Offer Options are in-the-money and the Option Offer Prices are set at the see-through prices of HK\$0.10 and HK\$0.125 respectively.

For each of the 384,200 Offer Options with an exercise price of HK\$0.30	HK\$0.10 in cash
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For each of the 1,445,000 Offer Options with an exercise price of HK\$0.275	HK\$0.125 in cash
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The Option Offer is unconditional in all aspects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

Securities of the Company

As at the date of this joint announcement, the Company has (i) 479,374,860 Shares in issue, (ii) 2,099,200 outstanding Options; and (iii) the Convertible Notes in outstanding amount of US\$60.1 million.

Save for the aforesaid, the Company does not have any outstanding options, warrants, derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Value of the Offers

Following Completion and as at the date of this joint announcement, the Offeror and the Offeror's Concert Parties collectively hold (i) a total of 245,428,696 Shares, representing 51.20% of the issued share capital of the Company; (ii) 270,000 Options; and (iii) the Convertible Notes in the principal amount of US\$60.1 million. Save for the aforesaid, the Offeror and the Offeror's Concert Parties do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Based on the Share Offer Price of HK\$0.40 per Share, 233,946,164 Offer Shares and 1,829,200 Offer Options:

- (i) Assuming that no Offer Options are exercised and the Share Offer is accepted in full:
 - (a) the value of the Share Offer will be approximately HK\$93,578,465.6;
 - (b) the total amount to satisfy the cancellation of all Offer Options will be approximately HK\$219,045.0; and
 - (c) the aggregate amount to satisfy the Offers will be approximately HK\$93,797,510.6.

- (ii) Assuming that all Offer Options are exercised and the Share Offer is accepted in full:
 - (a) the value of the Share Offer will be approximately HK\$94,310,145.6;
 - (b) no amount will be payable by the Offeror under the Option Offer; and
 - (c) the aggregate amount to satisfy the Offers will be approximately HK\$94,310,145.6.

In view of the above, the Offers are valued at approximately HK\$94,310,145.60 in aggregate, being the higher amount of scenarios (i) and (ii) above.

Financial resources confirmation

The Offeror intends to finance the maximum consideration payable under the Offers of approximately HK\$94.3 million through a loan facility of HK\$146.0 million under the Loan Agreement.

On 30 November 2021, the Offeror entered into the Loan Agreement in connection with the loan facility, and the Offeror entered into the Security Charges in favour of Kingston Securities. The payment of interest on, repayment of or security for any existing liability (contingent or otherwise) in relation to the loan facility, will not depend on the business of the Company to any significant extent. The voting rights of the Shares subject to the Security Charges would not be transferred to Kingston Securities unless and until the security under the Security Charge(s) shall have become enforceable, and Kingston Securities has elected to enforce the security thereunder, pursuant to the terms and conditions thereof.

Kingston Corporate Finance, being one of the joint financial advisers to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptances of the Offers.

Effect of accepting the Offers

Acceptance of the Offers by any Independent Shareholder will constitute a warranty by such person that all Offer Shares to be sold by such person under the Offers are fully paid and free from all encumbrances whatsoever together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Composite Document.

The Company confirms that as at the date of this joint announcement, (a) it has not declared any dividend, the record date of which falls on or after the expected date of despatch of the Composite Document; and (b) it does not have any intention to make, declare or pay any future dividend or make other distributions until the close of the Offers. Furthermore, there was no dividend declared but unpaid as at the date of this joint announcement.

By accepting the Option Offer, the Options tendered by the Optionholders will be cancelled and renounced together with all rights attaching or accruing thereto.

Acceptances of the Offers shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

Independent Shareholders and Optionholders are reminded to read the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offers which will be included in the Composite Document.

Hong Kong's stamp duty

Sellers' Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.13% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Shares subject to such acceptance, will be deducted from the amounts payable to the Independent Shareholders who accept the Share Offer. The Offeror will arrange for payment of sellers' ad valorem stamp duty on behalf of the Independent Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

Taxation advice

Independent Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror or the Offeror's Concert Parties, Kingston Securities, the Company, Kingston Corporate Finance, Veda Capital, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offers and all relevant documents of title in respect of such acceptances are received by the Offeror (or their agents acting on their behalf) to render each such acceptance complete and valid pursuant to the Takeovers Code.

Overseas Shareholders

The availability of the Share Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should fully observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Acceptance of the Share Offer by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that all local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

Dealing and interests in the Company's securities

Following Completion and as at the date of this joint announcement, the Offeror and the Offeror's Concert Parties collectively hold (i) a total of 245,428,696 Shares, representing 51.20% of the issued share capital of the Company; (ii) 270,000 Options; and (iii) the Convertible Notes. Save for the aforesaid, the Offeror and the Offeror's Concert Parties do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

The following table sets out the shareholding structure of the Company (i) immediately after the Partial Conversion but before Completion; and (ii) immediately after the Completion and as at the date of this joint announcement:

Shareholders	Immediately after the Partial Conversion but before Completion		Immediately after Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate shareholding %</i>	<i>Number of Shares</i>	<i>Approximate shareholding %</i>
The Offeror and the Offeror's Concert Parties				
The Offeror	142,000,696	29.62	245,428,696	51.20
Subtotal	142,000,696	29.62	245,428,696	51.20
Other public Shareholders	337,374,164	70.38	233,946,164	48.80
TOTAL	479,374,860	100.00	479,374,860	100.00

Dealings by the Offeror During the Relevant Period

Set out below are the details in respect of the dealings in the Shares by the Offeror and its Concert Parties during the six-month period immediately prior to the commencement of the Offer Period, save for the Sale Shares acquired by the Offeror under the Purchases:

Date of transactions	Name	No. of Shares purchased/ (sold)	Price per Share (HK\$')	Consideration (Approximate HK\$')	On-market/ off-market
6 July 2021	The Offeror	6,140,000	0.2650	1,627,100	Off-market
14 July 2021	The Offeror	720,000	0.2550	183,600	Off-market
26 July 2021	The Offeror	(1,600,000)	0.2550	408,000	On-market
	The Offeror	(1,400,000)	0.2600	364,000	On-market
16 September 2021	The Offeror	(15,000,000)	0.3485	5,227,500	Off-market

The Offeror and the Offeror's Concert Parties confirm that, as at the date of this joint announcement:

- (i) save for a total of 245,428,696 Shares, 270,000 Options and the Convertible Notes, none of the Offeror or the Offeror's Concert Parties own or have control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) save for a total of 270,000 Options and the Convertible Notes, there is no outstanding derivative in respect of securities in Company which is owned, controlled or directed by, or has been entered into by the Offeror and/or any the Offeror's Concert Parties;
- (iii) the Offeror and the Offeror's Concert Parties have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iv) save for the Loan Agreement and the Security Charges, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers;
- (v) there is no agreement or arrangement to which any of the Offeror or the Offeror's Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (vi) the Offeror and the Offeror's Concert Parties have not received any irrevocable commitment to accept or reject the Offers;

- (vii) save for the Loan Agreement and the Security Charges, there was no agreement, arrangement or understanding which may result in the securities of the Company to be acquired in pursuance of the Offers being transferred, charged or pledged to any other persons;
- (viii) save as disclosed above and for the Sale Shares acquired by the Offeror under the Purchases, none of the Offeror and the Offeror's Concert Parties have dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period immediately prior to the commencement of the Offer Period;
- (ix) there is no understanding, arrangement or agreement which constitutes special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any of the Offeror's Concert Parties on the one hand, and the vendors of the Sale Shares and any parties acting in concert with any of them on the other hand;
- (x) no benefit (other than statutory compensation required under the applicable laws) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offers;
- (xi) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror and the Offeror's concert parties and any Directors, recent Directors, and Shareholders or recent Shareholders (including the vendors of the Sale Shares and parties acting in concert with any of them) having any connection with or dependence upon the Offers;
- (xii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror or any of the Offeror's Concert Parties; or (2)(b) the Company, its subsidiaries or associated companies; and
- (xiii) save for the Consideration for the Sale Shares, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the Offeror's Concert Parties to the vendors of the Sale Shares and their respective parties acting in concert in respect of the Sale Shares.

Information on the Group

The Company was incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board. The Company is an investment holding company and the Group is principally engaged in the provision of convergent mobile multimedia broadcasting, satellite infotainment multimedia technology and services for vehicles and maritime applications, and trading of printed circuit board.

Set out below is the summary of financial information of the Group for six months ended 30 June 2021 and the financial years ended 31 December 2019 and 2020 as extracted from the interim report of the Company for the six months ended 30 June 2021 and the annual report of the Company for the year ended 31 December 2020:

	For the six months ended 30 June 2021 US\$'000 (unaudited)	For the year ended 31 December 2020 US\$'000 (audited)	2019 US\$'000 (audited)
Revenue	2,582	3,876	7,153
Profit/(Loss) before taxation	<u>(21,773)</u>	<u>(133,192)</u>	<u>(31,750)</u>
Profit/(Loss) for the period attributable to the Shareholders	<u>(17,956)</u>	<u>(127,700)</u>	<u>(28,404)</u>
	As at 30 June 2021 US\$'000 (unaudited)	As at 31 December 2020 US\$'000 (audited)	2019 US\$'000 (audited)
Total assets	<u>167,530</u>	<u>185,609</u>	<u>316,063</u>
Total equity attributable to the Shareholders	<u>91,398</u>	<u>106,103</u>	<u>227,553</u>

Information on the Offeror

The Offeror is an investment holding company incorporated in the BVI with limited liability. As at the date of this joint announcement, the Offeror is wholly-owned by Mr. Wong, who is also the sole director of the Offeror, the chief executive of the Group, an executive Director and the chairman of the Board.

Mr. Wong, aged 57, was appointed as an executive Director in May 2007. Mr. Wong is currently the chief executive of the Group and the chairman of the Board. Mr. Wong has extensive experiences in finance, technology and industrial management, working for a variety of companies including Goldman Sachs, Citibank, and BNP Paribas, and McKinsey, and General Electric. Mr. Wong graduated from the Pomona College in the US with a BA in Economics and International Relations, from the Harvard Kennedy School of Government with an MPP, and matriculated by the St. Antony's College, Oxford reading Political History.

Following the Completion, the Offeror and the Offeror's Concert Parties hold (i) 245,428,696 Shares, which represented 51.20% of the total issued share capital of the Company as at the date of this joint announcement; (ii) 270,000 Options; and (iii) the Convertible Notes in the outstanding amount of US\$60.1 million.

Save as disclosed above, the Offeror and the Offeror's Concert Parties do not hold any Shares or any other securities of the Company as at the date of this joint announcement.

Intention of the Offeror on the Group

It is intention of the Offeror and Mr. Wong that the Group's existing principal activities will be maintained after the close of the Offers. Following the close of the Offers, the Offeror and Mr. Wong intend to continue to pursue and promote strategies to enhance the development of current business the Group and to create greater value for the Shareholders, including but not limited to (i) upgrading technology capabilities and marketing efforts to revamp and embolden its CMMB digital broadcasting and data-casting business in the United States of America, (ii) expanding the contract-manufacturing based printed circuit board business into more sophisticated components and product solutions in the area of artificial intelligence, robotic, and wireless digital electronics, (iii) integrating and leveraging expertise and access in multimedia, mobile Internet, and satellite to better provide value-added services for connected-car infotainment and mobile multimedia delivery in the PRC and Asia.

Save for the above and as at the date of this joint announcement, no investment or business opportunities has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal of any assets or business of the Group, other than those conducted by the Company in its ordinary course of business and/or those which are immaterial in nature.

Save as in connection with the intention of the Offeror and Mr. Wong regarding the Group as set out above, the Offeror and Mr. Wong have no intention to (i) discontinue the employment of any employees of the Group or change the composition of the Board; (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (iii) introduce any major changes in the existing operations and business of the Group.

Independent Board Committee and Independent Financial Adviser

Rule 2.1 of the Takeovers Code requires the Company to establish an independent committee of the Board to give a recommendation to the Independent Shareholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers, and Rule 2.8 of the Takeovers Code requires that such independent committee should comprise all the non-executive Directors who have no direct or indirect interest in the Offers other than as a Shareholder.

The Independent Board Committee, comprising (i) Dr. Liu Hui, Mr. Chou Tsan-Hsiung and Mr. Yang Yi as non-executive Directors; and (ii) Dr. Li Jun, Mr. Chow Kin Wing and Mr. Tam Hon Wah as independent non-executive Directors, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give recommendation to the Independent Shareholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers. An Independent Financial Adviser will be appointed to advise the Independent Board Committee in respect of the Offers, and in particular, as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers. Further announcement(s) will be made by the Company in this regard.

Maintaining the listing status of the Company

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offers. The sole director of the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares following the close of the Offers.

Compulsory acquisition

The Offeror does not intend to exercise or apply any right which may be available to them to acquire compulsorily any Shares outstanding after the close of the Offers.

Despatch of Composite Document

It is the intention of the Offeror and Company to combine the offer document and the offeree board circular into the Composite Document, which will contain, amongst other things, (i) details of the Offers; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, together with the relevant form of acceptance.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. The Composite Document will be despatched to the Shareholders in accordance with the requirements of the Takeovers Code.

Dealing Disclosure

All associates (as defined under the Takeovers Code and include persons holding 5% or more of any class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings including identities of clients, as part of that co-operation.”

C. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:37 a.m. on 1 December 2021 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 8 December 2021.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to acceptance of the Offers in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee in respect of the Offers and a letter of advice from the Independent Financial Adviser.

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

DEFINITIONS

In this joint announcement, the following terms shall have the meanings set out below, unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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 (stock code: 471)
“Completion”	completion of the Purchases
“Composite Document”	the composite offer document and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offers, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser in respect of the Offers

“Consideration”	the total consideration of the Sale Shares
“Convertible Notes”	the 7-year zero coupon unsecured unlisted convertible notes in the aggregate principal amount of US\$65,000,000 issued by the Company which was subscribed by the Offeror in accordance with the terms of the subscription agreement dated 29 June 2021
“Director(s)”	the director(s) of the Company
“Executive”	The Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising (i) all non-executive Directors, namely Dr. Liu Hui, Mr. Chou Tsan-Hsiung and Mr. Yang Yi; and (ii) all independent non-executive Directors, namely Dr. Li Jun, Mr. Chow Kin Wing and Mr. Tam Hon Wah, established for the purpose of advising and giving recommendation to the Independent Shareholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers
“Independent Financial Adviser”	an independent financial adviser to be appointed to advise the Independent Board Committee in respect of the Offers
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror or the Offeror’s Concert Parties
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the SFO, which is appointed as one of the joint financial advisers to the Offeror in respect of the Offers
“Kingston Securities”	Kingston Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activity under the SFO
“Last Full Trading Day”	30 November 2021, being the last full trading day of the Shares before publication of this joint announcement

“Last Trading Day”	1 December 2021, being the last trading day of the Shares before publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan facility agreement entered into between Kingston Securities as the lender and the Offeror as the borrower in relation to a loan facility for financing the Purchases and the consideration payable by the Offeror pursuant to the Offers
“Main Board”	the main board maintained and operated by the Stock Exchange
“Mr. Wong”	Mr. Wong Chau Chi, being the ultimate beneficial owner and sole director of the Offeror, the chief executive of the Group, an executive Director and the chairman of the Board
“Offeror”	Chi Capital Holdings Ltd, a company incorporated under the laws of the BVI with limited liability, which is wholly-owned by Mr. Wong
“Offeror’s Concert Party(ies)”	party(ies) acting in concert with the Offeror as determined in accordance with the Takeovers Code, including Mr. Wong
“Offers”	the Share Offer and the Option Offer
“Offer Option(s)”	all the Option(s) in issue, other than those Options already owned by the Offeror or the Offeror’s Concert Parties
“Offer Period”	the period commencing from 7 December 2021, being the date of this joint announcement, and ending on the closing date of the Offers
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned by the Offeror or the Offeror’s Concert Parties
“Option Offer”	the cash offer to be made by Kingston Securities for and on behalf of the Offeror to the Optionholders in compliance with Rule 13 of the Takeovers Code to cancel all the Options
“Option Offer Price”	the price at which the Option Offer will be made, being (i) HK\$0.1 per Option for each of the 384,200 Offer Options with an exercise price of HK\$0.30; and (ii) HK\$0.125 per Option for each of the 1,445,000 Offer Options with an exercise price of HK\$0.275

“Optionholders”	the holders of the Options
“Option(s)”	the share options granted and outstanding under the Share Option Scheme from time to time, whether such options vested or not
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown in the register of members of the Company, is (are) outside Hong Kong
“Partial Conversion”	the partial exercise of the conversion rights attached to the Convertible Notes by the Offeror
“Partial Conversion Shares”	the conversion Shares pursuant to the Partial Conversion
“Purchases”	the purchases of the Sale Shares on the market by the Offeror
“PRC”	the People’s Republic of China, but for the purpose of this joint announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Sale Shares”	103,428,000 Shares purchased by the Offeror
“Security Charge(s)”	the security charges entered into between the Offeror as chargor and Kingston Securities as chargee in respect of (i) 141,588,796 Shares held by the Offeror; (ii) the Convertible Notes in the aggregate face value of US\$25.0 million held by the Offeror; and (iii) Shares to be acquired by the Offeror
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the mandatory unconditional cash offer to be made by Kingston Securities for and on behalf of the Offeror to acquire all the Offer Shares in accordance with the Takeovers Code
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$0.40 per Offer Share
“Share Option Scheme”	the share option scheme adopted by the Company on 18 December 2015

“Share(s)”	the ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs
“US\$”	United States dollars, the lawful currency of the United States of America
“Veda Capital”	Veda Capital Limited, a corporation licensed to carry on business in type 6 (advising on corporate finance) regulated activity under the SFO, which is appointed as one of the joint financial advisers to the Offeror in respect of the Offers
“%”	per cent

* *for identification purpose only*

For and on behalf of
Chi Capital Holdings Ltd
Wong Chau Chi
Sole Director

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

Hong Kong, 7 December 2021

As at the date of this joint announcement, the Board comprises (i) Mr. Wong as the executive Director; (ii) Dr. Liu Hui, Mr. Chou Tsan-Hsiung and Mr. Yang Yi as non-executive Directors; and (iii) Dr. Li Jun, Mr. Chow Kin Wing and Mr. Tam Hon Wah as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and the Offeror's Concert Parties), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinion expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Wong. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement, and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

For the purpose of this joint announcement and for illustration purposes only, unless the context otherwise requires, conversion of United States dollars into Hong Kong dollars is based on the approximate exchange rate of US\$1.00 to HK\$7.78

The English text of this joint announcement shall prevail over its Chinese text.