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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

HIGHLIGHTS

	Year ended 31 December			
	2020	2019	Change	Change
	US$'000	US$'000	US$'000	%
Revenue	**3,876**	7,153	**(3,277)**	**(45.8%)**
Gross profit	**602**	2,774	**(2,172)**	**(78.3%)**
Loss from operations	**(8,893)**	(6,254)	**(2,639)**	**(42.2%)**
Share of results of an associate	**(99,450)**	(8,680)	**(90,770)**	**(1,045.7%)**
Impairment loss recognised on intangible assets	**(24,275)**	(16,933)	**(7,342)**	**(43.4%)**
Impairment loss recognised on assets classified as held for sale	**(574)**	–	**(574)**	**N/A**
Loss for the year	**(133,192)**	(31,867)	**(101,325)**	**(318.0%)**
Total assets	**185,609**	316,063	**(130,454)**	**(41.3%)**
Total liabilities	**61,984**	65,496	**(3,512)**	**(5.4%)**
Net assets	**123,625**	250,567	**(126,942)**	**(50.7%)**

The board of directors of the Company did not recommend any final dividend to the shareholders of the Company for the year ended 31 December 2020.

FINANCIAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of CMMB Vision Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2020, together with the comparative figures for the year of 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	NOTES	**2020** **US$'000**	2019 US$'000
Revenue	4	**3,876**	7,153
Cost of sales		**(3,274)**	(4,379)
Gross profit		**602**	2,774
Other income	5	**352**	2
Administrative expenses		**(1,317)**	(2,012)
Market development and promotion expenses		**(1,662)**	(2,540)
Finance costs	6	**(5,625)**	(5,482)
Other expenses		**(193)**	(368)
Share of results of an associate		**(99,450)**	(8,680)
Impairment loss recognised on intangible assets		**(24,275)**	(16,933)
Impairment loss recognised on assets classified as held for sale		**(574)**	–
Gain on redemption of convertible notes		–	2,089
Fair value loss on financial asset at fair value through profit or loss		**(1,050)**	(600)
Loss before tax		**(133,192)**	(31,750)
Income tax expense	7	–	(117)
Loss for the year	8	**(133,192)**	(31,867)
Other comprehensive (expense) income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(86)**	357
Share of exchange differences of an associate		**14**	–
Other comprehensive (expense) / income, net of tax		**(72)**	357
Total comprehensive expense for the year		**(133,264)**	(31,510)
Loss for the year attributable to:			
– Owners of the Company		**(127,700)**	(28,404)
– Non-controlling interests		**(5,492)**	(3,463)
Loss for the year		**(133,192)**	(31,867)
Total comprehensive expense attributable to:			
– Owners of the Company		**(127,772)**	(28,047)
– Non-controlling interests		**(5,492)**	(3,463)
Total comprehensive expense for the year		**(133,264)**	(31,510)
		US cents	US cents
Loss per share	9		
– Basic		**(52.75)**	(17.36)
– Diluted		**(52.75)**	(18.17)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2020

	NOTES	**2020** **US$'000**	2019 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**213**	367
Intangible assets		**54,715**	80,564
Interests in an associate		**124,865**	224,301
Financial assets at fair value through profit or loss		**–**	1,050
Rights-of-use assets		**297**	478
		180,090	306,760
CURRENT ASSETS			
Trade and other receivables	10	**970**	1,352
Amount due from a related company		**2,212**	6,662
Amount due from an associate		**890**	947
Bank balances and cash		**447**	342
		4,519	9,303
Assets classified as held for sale		**1,000**	–
		5,519	9,303
CURRENT LIABILITIES			
Trade and other payables	11	**5,998**	3,873
Amounts due to shareholders		**1,932**	12,992
Lease liabilities		**309**	236
Tax payable		**339**	339
		8,578	17,440
NET CURRENT LIABILITIES		**(3,059)**	(8,137)
TOTAL ASSETS LESS CURRENT LIABILITIES		**177,031**	298,623
NON-CURRENT LIABILITIES			
Convertible notes		**53,373**	47,773
Lease liabilities		**33**	283
		53,406	48,056
NET ASSETS		**123,625**	250,567
CAPITAL AND RESERVES			
Share capital	12	**7,117**	4,853
Share premium and reserves		**98,986**	222,700
Equity attributable to owners of the Company		**106,103**	227,553
Non-controlling interests		**17,522**	23,014
TOTAL EQUITY		**123,625**	250,567

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL

The Company acts as an investment holding company. The Group is principally engaged in the development and promotion of CMMB-based multimedia and interactive services via proprietary terrestrial infrastructure. The Group is operating a terrestrial UHF wireless television ("**TV**") network providing digital media and entertainment services to New York and other key markets in preparation to deploying a similar multimedia service platform in the United States of America ("**US**").
Converged Mobile Multimedia Broadcasting ("**CMMB**") is a digital mobile multimedia technology developed by and currently commercially deployed in the People's Republic of China (the "**PRC**"). It can deliver digital mobile TV and multimedia contents via both terrestrial and satellite networks directly to mobile and wireless devices such as smartphone, tablet, pocket TV, laptops, automobile digital receivers and personal media player that are equipped with a CMMB-enabled chipset. Its broadcast oriented delivery capability 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 Group is also engaged in trading which relates to the procurement and distribution of printed circuit board ("**PCB**") materials.

The consolidated financial statements are presented in United States dollars ("**US$**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis. In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss attributable to owners of the Company of approximately US$127,700,000 for the year ended 31 December 2020 and the Group's net current liabilities of US$3,059,000 as at 31 December 2020. In the opinion of the Directors, the Group is able to continue as a going concern in the coming year taking into consideration the measures which include, but not limited to, the followings:

a) Subsequent to the year-end date, the Group entered into an assignment of the lease agreement ("**Agreement**") with purchaser, pursuant to which the Group agreed to assigns, transfers, novates and conveys absolutely to the purchaser all of the Group's benefits, entitlements, interests, rights and remedies, and all covenants, obligations and liabilities arising from the time brokerage agreement/ancillary spectrum lease agreement and asset purchase option pertaining to the KMMC Station entered between the Group and New York Spectrum Holdings Company LLC ("**NYSHC**"), as the lessor of the license and authorizations of KMMC Station ("**KMMC Lease**") at a consideration of US$1,000,000. The intended use of sale proceeds is to repay the outstanding accounts payables to vendors and services suppliers. The sales proceeds raised from the Agreement will improve the Group's liquidity to cope with various corporate needs, especially in time of economic uncertainty under the pandemic environment.

b) Chi Capital Holdings Ltd ("**Chi Capital**"), being a company wholly-owned by Mr. Wong Chau Chi and a substantial shareholder of the Company, has agreed to continuous provide financial support to enable the Group to meet its financial obligations as they fall due in the foreseeable future.

c) In addition, the Group has planned and is in negotiation with potential investors to raise sufficient funds through fund-raising arrangement.

d) The Directors will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring general administrative expenses and operating costs.

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

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current years

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendments to HKFRS 16 COVID-19-Related Rent Concessions.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material effect on the amounts reported and/or disclosures set out in these consolidated financial statements.

The Group has early adopted the amendments to HKFRS 16 which provides relief to lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the novel coronavirus 2019 ("**COVID-19**") pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; (iii) there is no substantive change to other terms and conditions of the lease. The Group elects to adopt the practical expedient to account for the COVID-19 pandemic related rent concession as negative variable lease payments. Accordingly, the Group credited US$184,000 to profit or loss for the rent concessions received by the Group during the year.

The Group has not adopted any other standards, interpretations or amendments that have been issued but not yet effective.

4. REVENUE AND SEGMENT INFORMATION

Information is reported to the Company's executive directors, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance with focus on types of services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 Operating Segment are as follows:

1. CMMB business – Provision of transmission and broadcasting of television ("**TV**") programs.

2. Trading business – Trading of printed circuit board ("**PCB**") materials.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the year ended 31 December 2020

	CMMB business US$'000	**Trading business US$'000**	**Total US$'000**
Segment revenue	**1,968**	**1,908**	**3,876**
Segment loss	**(29,387)**	**(59)**	**(29,446)**
Market development and promotion expenses	**(1,662)**	**–**	**(1,662)**
Fair value loss on financial asset at fair value through profit or loss	**(1,050)**	**–**	**(1,050)**
Share of results of an associate	**(99,450)**	**–**	**(99,450)**
Impairment loss recognised on assets classified as held for sale	**(574)**	**–**	**(574)**
Other income	–	–	**253**
Unallocated corporate expenses	–	–	**(1,263)**
Loss for the year			**(133,192)**

For the year ended 31 December 2019

	CMMB business US$'000	Trading business US$'000	Total US$'000
Segment revenue	4,039	3,114	7,153
Segment loss	(17,943)	(46)	(17,989)
Market development and promotion expenses	(2,540)	–	(2,540)
Fair value loss on financial asset at fair value through profit or loss	(600)	–	(600)
Share of results of an associate	(8,680)	–	(8,680)
Other income	–	–	2
Unallocated corporate expenses	–	–	(2,060)
Loss for the year			(31,867)

Segment assets

	2020 *US$ '000*	2019 *US$ '000*
CMMB business	**179,820**	306,201
Trading business	**899**	1,360
Total segment assets	**180,719**	307,561
Unallocated		
– Assets classified as held for sale	**1,000**	–
– Property, plant and equipment	**59**	107
– Right-of-use assets	**238**	474
– Other receivables	**109**	121
– Amount due from a related company	**2,212**	6,662
– Amount due from an associate	**890**	947
– Bank balances and cash	**382**	191
Consolidated total assets	**185,609**	316,063

Segment liabilities

	2020 *US$ '000*	2019 *US$ '000*
CMMB business	**58,698**	50,615
Trading business	**590**	992
Total segment liabilities	**59,288**	51,607
Unallocated		
– Accruals	**480**	382
– Lease liabilities	**284**	515
– Amounts due to shareholders	**1,932**	12,992
Consolidated total liabilities	**61,984**	65,496

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2020 *US$ '000*	2019 *US$ '000*
Revenue from contracts with customers recognised at a point in time:		
Trading of PCB materials	**1,908**	3,114
Revenue from contracts with customers recognised over a period of time:		
CMMB service income	**232**	–
Revenue from other sources:		
Transmission and broadcasting of TV programs	**1,736**	4,039
	3,876	7,153

Other segment information

	CMMB business *US$'000*	Trading business *US$'000*	Total *US$'000*
Amounts included in the measurement of segment profit or loss:			
Year ended 31 December 2020			
Depreciation of property, plant and equipment	107	–	107
Depreciation of right-of-use assets	–	23	23
Effective interest expense on convertible notes	5,600	–	5,600
Interest expense on lease liabilities	–	3	3
Impairment loss recognised on intangible assets	24,275	–	24,275
Impairment loss on asset classified as held for sale	574	–	574
Year ended 31 December 2019			
Depreciation of property, plant and equipment	127	–	127
Depreciation of right-of-use assets	–	23	23
Effective interest expense on convertible notes	5,445	–	5,445
Interest expense on lease liabilities	–	1	1
Gain on redemption of convertible notes	(2,089)	–	(2,089)
Impairment loss recognised on intangible assets	16,933	–	16,933

Geographical information

The Group principally operates CMMB business in US (country of domicile of the operating subsidiary) and Trading business in Taiwan. Nearly all non-current assets of the Group are located in the US except for certain insignificant non-current assets (such as office equipment and motor vehicles) which are located in Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the operations.

	Revenue from external customers	
	2020	2019
	US$'000	*US$'000*
US	**1,736**	4,039
Taiwan	**1,908**	3,114
PRC	**232**	–
	3,876	7,153

5. OTHER INCOME

	2020	2019
	US$'000	*US$'000*
COVID-19 related rent concessions	**184**	–
Government grants (note)	**68**	–
Bank interest income	**–**	2
Others	**100**	–
	352	2

Note: In 2020, the Group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Government of the Hong Kong Special Administrative Region. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be at risk of being made redundant. Under the terms of the grant, the Group was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

6. FINANCE COSTS

	2020	2019
	US$'000	*US$'000*
Effective interest expense on convertible notes	**5,600**	5,445
Interest expense on lease liabilities	**23**	34
Bank interest expense	**2**	3
	5,625	5,482

7. INCOME TAX EXPENSE

	2020	2019
	US$'000	*US$'000*
Current tax:		
US Income Tax	–	117

Hong Kong Profits Tax for 2020 is calculated at 16.5% (2019: 16.5%) on the estimated assessable profits for the year, except for the first HK$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the new two-tiered profits tax rates regime with effect from the year of assessment 2018/2019. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in Hong Kong for both years.

US Income Tax is charged at 24% (2019: 24%) on the estimated assessable profits for the year. No provision for US Income Tax has been made as the Group does not have assessable profit arising in US for the year ended 31 December 2020.

Taiwan Income Tax is charged at 20% on the estimated assessable profits for both years. No provision for Taiwan Income Tax has been made as the Group had no assessable profit arising in Taiwan for both years.

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onward. No provision for PRC income tax has been made in the consolidated financial statements as all of the PRC subsidiaries do not have assessable profit for both years.

8. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2020	2019
	US$'000	*US$'000*
Staff costs, including directors' remuneration		
– Directors' remuneration	**81**	252
– Salaries and allowances	**1,050**	1,080
– Retirement benefit scheme contributions	**20**	21
Total staff costs	**1,151**	1,353
Share-based payment expenses	**171**	193
Auditor's remuneration		
– Assurance service	**142**	140
– Non-assurance service	**18**	7
Depreciation of property, plant and equipment	**156**	196
Depreciation of right-of-use assets	**261**	283
Included in other expenses:		
– Exchange loss, net	**11**	9
– Legal and professional fee	**101**	261

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributed to the owners of the Company for the year is based on the following data:

	2020	2019
	US$'000	*US$'000*
Loss for the year attributable to the owners of the Company for the purpose of calculating basic loss per share	**(127,700)**	(28,404)
Effect of dilutive potential ordinary shares:		
– Effective interest on convertible notes	–	114
– Gain on redemption of convertible notes	–	(1,525)
Loss for the year attributable to the owners of the Company for the purpose of calculating diluted loss per share	**(127,700)**	(29,815)

Number of ordinary shares	**2020**	2019
Weighted average number of ordinary shares for the purposes of calculating basic loss per share	**242,093,844**	163,601,929
Effect of dilutive potential ordinary shares: *		
– Convertible notes	–	526,945
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	**242,093,844**	164,128,874

* The computation of the diluted loss per share for the year ended 31 December 2020 has not assumed the conversion of the Company's outstanding convertible notes since their exercise would result in a decrease in loss per share.

For the share options, the computation of diluted loss per share amount has not assumed the conversion of the Group's outstanding share options since they are anti-dilutive for the years ended 31 December 2020 and 2019.

Adjustment made to the basic loss per share amount for the year ended 31 December 2019 in respect of a dilution because the diluted loss per share amount was increased when taking convertible notes into account, so the convertible notes had a dilutive effect.

As the rights issue on the basis of one rights share for every two existing shares held on the record date at the subscription price of HK$0.65 per rights share ("**Rights Issue**"), completed on 11 March 2020 includes no bonus elements, the weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the year ended 31 December 2020 and 2019 are not required to be adjusted for the effect of the Rights Issue.

10. TRADE AND OTHER RECEIVABLES

The Group normally allows a credit period of between 15 to 60 days to its customers of CMMB Business and Trading Business. The trade receivables are solely due from one customer under Trading Business (2019: one) and one customer under CMMB business as at 31 December 2020 (2019: nil).

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

	2020	2019
	US$'000	US$'000
Trade receivables	**816**	1,220
Other receivables and deposits	**152**	129
Prepayment	**2**	3
	970	1,352

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

	2020	2019
	US$'000	US$'000
0 – 30 days	**182**	226
31 – 60 days	**303**	645
61 – 90 days	**331**	349
	816	1,220

11. TRADE AND OTHER PAYABLES

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

	2020	2019
	US$'000	US$'000
Trade payables due within 90 days	**490**	953
Receipt in advance	**1,605**	–
Accruals	**3,903**	2,920
	5,998	3,873

12. SHARE CAPITAL

	Number of ordinary shares of HK$0.01 each	Number of ordinary shares of HK$0.2 each	Nominal value	Shown as
			HK$ '000	*US$ '000*
Authorised:				
At 1 January 2019	500,000,000,000	-	5,000,000	
Share consolidation (Note i)	(500,000,000,000)	25,000,000,000		
At 31 December 2019, 1 January 2020 and 31 December 2020	-	25,000,000,000	5,000,000	
Issued and fully paid:				
At 1 January 2019	3,085,251,425	-	30,853	3,966
Issue of new shares by placing (Note ii)	696,347,975	-	6,963	887
Share consolidation (Note i)	(3,781,599,400)	189,079,970	-	-
At 31 December 2019 and 1 January 2020	-	189,079,970	37,816	4,853
Issue of new shares by Rights issue (Note iii)	-	37,984,428	7,597	968
Issue of new shares by placing (Note iv)	-	45,412,879	9,082	1,157
Exercise of share options (Note v)	-	5,448,000	1,090	139
At 31 December 2020	-	277,925,277	55,585	7,117

(i) Pursuant to an extraordinary general meeting of the Company which was held on 8 November 2019 and the resolutions of the share consolidation of the Company involving consolidation of the number of shares on the basis that every twenty issued and unissued shares of HK$0.01 each be consolidated into one consolidated share of HK$0.2 each were approved, with effect from 12 November 2019.

(ii) On 11 January 2019, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 66,081,535 new ordinary shares for an aggregate consideration of approximately HK$7,137,000 at the subscription price of HK$0.108 per subscription share. The subscription was completed on 21 January 2019. The proceeds were used to provide general working capital for the Company.

On 11 October 2019, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 630,266,440 new shares for an aggregate consideration of approximately HK$22,059,000 at the subscription price of HK$0.035 per subscription share. The subscription was completed on 21 October 2019. The proceeds were used to provide general working capital for the Company.

(iii) On 11 March 2020, the Company raised approximately HK$24,700,000 (equivalent to approximately US$3,145,000) before expenses by way of issuance of 37,984,428 new shares pursuant to the Rights Issue. The Company used the net proceeds from the Rights Issue for general working capital and the development of the Maritime Project. Details of the Rights Issue are set out in the prospectus and the announcement of the Company dated 18 February 2020 and 10 March 2020, respectively.

(iv) On 2 July 2020, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 45,412,879 new ordinary shares at the subscription price of HK$0.50 per subscription share for an aggregate consideration of approximately HK$22,706,000. The subscription was completed on 13 July 2020. The proceeds were used to repay advances from shareholders and to provide additional general working capital for the Company.

(v) On 29 October 2020, 5,448,000 share options have been exercised at the exercise price of HK$0.37, and total of 5,448,000 ordinary shares were issued, giving gross proceeds of HK$2,016,000 approximately. The proceeds were used to provide general working capital for the Company.

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

13. CAPITAL COMMITMENTS

As at 31 December 2020, neither the Group nor the Company has any capital expenditure (2019: Nil).

14. LITIGATION

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

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

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

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

15. FINAL DIVIDEND

The board of directors of the Company did not recommend any final dividend to the shareholders of the Company for the year ended 31 December 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF BUSINESS OPERATIONS

The principal activity of CMMB Vision Holdings Limited (the "**Company**") is investment holding whilst its subsidiaries are mainly engaged in the provision of Convergent Mobile Multimedia Broadcasting ("**CMMB**"), satellite infotainment multimedia technology and services (the "**Infotainment**") for vehicles and maritime applications, and trading of printed circuit board ("**PCB**").

CMMB BUSINESS

The Company currently has a portfolio of 9 UHF spectrum television ("**TV**") stations capacity rights in the United States of America ("**US**"), situated over seven large metropolitan cities, including New York, Los Angeles, Dallas, Houston, Atlanta, Miami and Tampa. The portfolio gives us a significant wireless coverage over the US for delivering free-to-air TV programming such as linear TV broadcasting to a large audience. The Company's primary business model has been leasing the channel capacity to programmers.

Apart from the current linear TV services, the TV platform also well-positions the Company to offer next-generation digital media services targeting household, mobile and vehicles. The US is introducing the Advanced Television Systems Committee ("**ATSC**") 3.0 digital standard ("**ATSC 3.0**"), which is similar to the Company's CMMB standard, which has evolved to amalgamate with cellular 4G/5G to become the Converged technology standard that can integrate broadcasting, whether from terrestrial UHF TV or a satellite, with terrestrial 4G/5G cellular Internet services for unified consumption in a user terminal with unprecedented cost efficiency and economies of scale. The Converged technology can easily be adopted for ATSC 3.0 will give Company the technical advantage in getting into the future ATSC 3.0 services.

INFOTAINMENT

In China, the Company's Converged technology is primarily for supporting connected-car infotainment multimedia services under Silkwave Holdings Limited ("**Silkwave**"), the Company's associate. The service delivery is abundant in quantity, ubiquitous in geographical coverage, and very low-cost in data-streaming charge, which is ideal for in-vehicle-infotainment anytime anywhere, and can also be adopted for trains, ships, planes and remote applications. The Company is the dedicated Converged technology and service provider to Silkwave and its many ecosystem partners such as auto-OEM and car electronic makers. It has been supporting trial services over 17 provinces and 21 major cities in China, including Beijing, Changchun, Wuhan, Chongqing, Baoding, Chengdu, Taiyuan, Hefei, Harbin, Daqing, Shenzhen, Xiamen, Jiaxing, Nanjing, Danyang and Huizhou, trucking in 1 million kilometres in road test as well. The business is awaiting regulatory approval to launch commercial services.

Parallel to the connected-car multimedia service, the Company has also adopted the Converged technology for maritime use tailoring to ships and boats. It has commenced a maritime service in partnership with Sino Satellite Communication for China early last year. The launch jump-started the Company's maritime business platform at large and helped the Company prepare for much bigger service launch that will target potentially the millions of fishing boats and commercial vessels in the South China Sea. Trial service is underway with collaboration from potential regional partners.

TRADING BUSINESS

This is a challenging sector to operate due to intense competition with low profit margins. Many PCB manufacturers in response to the rising labour and material costs have been diversifying their facilities to other Asian countries. This diversification leads to an increase in competition among existing trading agents and a shrinking PCB market, putting further strain on an already thin operating margin for the sector and hence the Company's revenue.

THE IMPACT OF COVID-19 ON THE GROUP'S OPERATION

For the whole year of 2020, an unexpected outbreak of the novel coronavirus 2019 (the "**COVID-19**") has caused drastic fluctuations in economic and financial environment, which also led to extraordinary disruptions to our operations, research activities and business development in the PRC and US markets. Our PRC offices and research centres were instructed to shut temporarily during different periods of the year.

The pandemic in particular affected the Company in the following ways:

1) A delay of the fundraising activities for procuring a new satellite in time by Silkwave to support mass-market satellite connected-car multimedia commercial launch.

2) A delay in the regulatory approval process for the commercial launch of our satellite infotainment business in China.

3) A delay in our US TV new equipment installation and engineering process and hence service resumption.

4) A drop in our revenue stream for PCB trading and US TV channel leasing due to overall poor economy and reduced consumption under the pandemic environment.

Currently a series of precautionary and control measures have been and continued to be implemented in countries where the Group operates, the Group will pay close attention to the development of the COVID-19 outbreak and continue to evaluate its impact.

Considering the market uncertainty, the Group has been managing operating expenses and reducing marketing and promotion budgets cautiously.

RIGHTS ISSUE

On 3 February 2020, the Group proposed the rights issue on the basis of one rights share for every two existing shares held on the record date at the subscription price of HK$0.65 per rights share ("**Rights Issue**") which was completed on 10 March 2020.

As disclosed in the announcement of the Company dated 10 March 2020, the Company received a total of 18 valid acceptances and applications under the provisional allotment letters in respect of a total of 37,984,428 rights shares, representing approximately 40.18% of the total number of rights shares available for subscription under the Rights Issue. Accordingly, the gross proceeds raised from the Rights Issue were approximately HK$24,700,000 (equivalent to approximately US$3,145,000) before expenses. The net proceeds, after deduction of all relevant expenses incidental to the Rights Issue of approximately HK$1,200,000, are estimated to be approximately HK$23,500,000. On this basis, the net price per rights share is approximately HK$0.62 per Share.

On 11 March 2020, 37,984,428 Shares were issued pursuant to the Rights Issue.

The Company intended to apply the net proceeds from the Rights Issue for general working capital and the development of the Maritime Project as disclosed in the prospectus of the Company dated 18 February 2020 with the amount allocated to each of them reduced on a pro rata basis, as compared to the amount which would have been allocated to them had the Rights Issue been fully subscribed.

The intended and actual use of proceeds from the Rights Issue up to 31 December 2020 is set out as follows:

Net proceeds	Intended use of proceeds	Intended use of proceeds	Actual use of proceeds up to 31 December 2020
Approximately US$2,990,000	General working capital for operations and business development		
	- Administrative and operations expenses	US$150,000	US$1,264,000
	- Marketing development and promotion expenses	US$800,000	US$1,380,000
	- General working capital of an associate	US$800,000	US$128,000
	- Development of maritime project	US$1,240,000	US$218,000
		US$2,990,000	US$2,990,000

As at 31 December 2020, all of the proceeds raised from the Rights Issue has been fully utilised.

Most of the net proceeds from the Rights Issue were reallocated to pay off the administrative and operations expense as well as marketing development and promotion expenses because the less cash inflow from operations due to (i) temporary closure of certain LPTV stations as a result of the Federal Communications Commission in the US repacking and digitization upgrade requirements; and (ii) drop in revenue stream due to overall poor economy under pandemic environment.

The Directors considered the above changes in the use of net proceeds are necessary as the reallocation would allow the Company to deploy its financial resources more effectively to cope with the changing market conditions.

Please refer to the prospectus and the announcement of the Company dated 18 February 2020 and 10 March 2020 respectively for the details of the Rights Issue.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 2 July 2020, after trading hours, the Company entered into the subscription agreements (the "**Subscription Agreements**") with subscribers (the "**Subscribers**") for the subscription of an aggregate 45,412,879 new shares of the Company for an aggregate consideration of HK$ 22,706,439.50 at the subscription price of HK$0.50 per subscription Share (the "**Placing Price**") (the "**Placing**").

The Subscribers (some of the Subscribers are existing shareholders of the Company) are individuals, institutional or other professional investors, and who and whose ultimate beneficial owners (if any) are third parties independent of the Company and its connected persons (as defined in The Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). None of the Subscribers became a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Placing.

The net proceeds from the Placing received by the Company upon completion of the Placing amounted to approximately HK$22,630,000 after deducting professional fees and all related expenses. On this basis, the net issue price per Subscription Share was approximately HK$0.498 per Share.

On 13 July 2020, 45,412,879 Shares were issued and allotted to the Subscribers under the Placing.

The Company intended to use the net proceeds raised from the Placing for repayment of advance from shareholders and to strengthen the general working capital.

The intended and actual use of proceeds from the Placing up to 31 December 2020 is set out as follows:

Net proceeds	Intended use of proceeds	Intened use of proceeds	Actual use of proceeds up to 31 December 2020
Approximately US$2,920,000	Repayment of advances from shareholders	US$2,900,000	US$2,900,000
	General working capital for operations and business development		
	- Administrative and operations expenses	US$20,000	US$20,000
		US$2,920,000	US$2,920,000

As at 31 December 2020, all of the proceeds raised from the Placing has been fully utilized.

Please refer to the announcements of the Company dated 2 July 2020 and 3 July 2020 for details of the Placing.

FINANCIAL REVIEW

For the year ended 31 December 2020, the Group recorded loss for the year of approximately US$133,192,000 (2019: US$31,867,000). Loss per share was approximately US52.75 cents (2019: US17.36 cents) and net assets per share of the Group was approximately US$0.44 (2019: US$1.33).

During the year ended 31 December 2020, the Group is engaged in provision of transmission and broadcasting of television programs and trading of PCB materials with a revenue of approximately US$3,876,000 (2019: US$7,153,000). The decrease in revenue of approximately US$3,277,000 or 45.8% was mainly due to a decrease in TV rental income and trading of PCB materials by approximately US$2,303,000 and US$1,206,000 respectively.

Cost of sales mainly includes cost of goods sold, staff costs, operating lease payments. The decrease in cost of sales of approximately US$1,105,000 or 25.2% was due to a decrease in cost of goods sold in PCB Trading business of approximately US$1,193,000 and an increase other cost of sales of approximately US$88,000 for the year ended 31 December 2020.

Gross profit has decreased from US$2,774,000 in year 2019 to approximately US$602,000 in year 2020, decreased by approximately 78.3%, primarily attributed to decrease in TV rental income by US$2,303,000.

Administrative expenses have decreased by approximately 34.5% to US$1,317,000 for the year ended 31 December 2020 as compared to approximately US$2,012,000 for the year ended 31 December 2019. It is mainly due to decrease in staff costs of approximately US$194,000 and depreciation of approximately US$62,000.

Market development and promotion expenses decreased by approximately 34.6% to approximately US$1,662,000 (2019: US$2,540,000) which include consultancy services fees for business development, travelling expenses for attending business conferences and meetings as well as research and development costs. The decrease in market development and promotion expenses was due to the cancellation of most of the marketing development activities held overseas since the COVID-19 outbreak. The corresponding travelling expense for the year has dropped significantly.

Other expenses for the year ended 31 December 2020 amounted to approximately US$193,000 (2019: approximately US$368,000) include listing fees, printing charges and corporate legal and professional fees for corporate transactions. The decrease is mainly attributable to less legal and professional fee this year.

Finance costs of the Group for the year ended 31 December 2020 amounted to approximately US$5,625,000 (2019: approximately US$5,482,000) which mainly represents the effective interest expense on convertible notes. The Group did not bear any bank and other borrowings during the year.

During the year, there were no redemption of Convertible Notes. The 2021 Convertible Notes and 2025 Convertible Notes with principal amounts of US$5,921,000 and US$9,000,000 respectively were redeemed at the redemption amount of US$5,921,000 and US$9,000,000 respectively in 2019. Accordingly, a gain on redemption of the convertible bonds of US$2,089,000 was recorded in 2019.

Management evaluated the fair value of financial assets at fair value through profit or loss ("**FVTPL**") by way of objective evidence, including but not limited to business forecasts and project timelines, etc. Changes in the fair value of financial assets at FVTPL has been recorded through the consolidated profit or loss statement as a loss for the year.

SHARE OF RESULTS OF AN ASSOCIATE

The Company shared a loss of approximately US$99,450,000 (2019: approximately US$8,680,000) for its 20% interest in Silkwave which is primarily due to the delay of regulatory approval for Silkwave group to deploy commercial services in China and prolonged fund-raising for constructing new satellite for mass-market commercial rollout due to COVID-19.

Silkwave has been developing satellite connected-car multimedia business in China which will be supported by its AsiaStar satellite assets such as frequency spectrum and orbital slot. Over the years Silkwave has completed its network infrastructure, technology, and ecosystem platform and has been conducting trial services throughout China. It has been awaiting regulatory approvals from various government agencies to launch its commercial services, which in turn will allow the Company to start generating revenues. Due to numerous government delays, and amidst the prolonged COVID-19 impact, the expected regulatory approvals have not yet arrived, and Silkwave cannot commence commercial services.

On the other hand, the slow capital market activities during the COVID-19 period seriously delayed Silkwave's fund-raising effort for constructing and launching a new high-power satellite, which is needed for commercial service rollout in a mass-market scale. The lack of regulatory approval also hampered the fund-raising process.

Accordingly, the management has assessed and revised its commercial operations and the expected cashflow and revenue streams associated with the business due to the delay in the regulatory and high-power satellite procurement, hence significant reduction in the valuation of the Silkwave assets is resulted.

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

THE IMPAIRMENT LOSS OF INTANGIBLE ASSETS

The impairment loss recognised on intangible assets for the year ended 31 December 2020 was approximately US$24,275,000 (2019: approximately US$16,933,000) as management of the Group determined that the recoverable amount is lower than the carrying amount of the cash generating units arising from intangible assets by reference to a value-in-use ("**VIU**") calculation, which has been consistently applied for the year ended 31 December 2019 and 2018 respectively.

As a result of the repackaging of the Federal Communications Commission, old LPTV channels were reshuffled and re-allocated to new ones. The process would require old LPTV channels to be shut down and relocated to new sites for re-installation and bring on-air the new channels. In addition, new channel stations are required to be upgraded from the old analogue format to the new digital format, which would require new equipment such as transmitter and antenna as well as highly regulated engineering activities. Such a process would have long lead time taking up to a year.

Given the disruptions of repacked station re-installation and COVID-19 on LPTV revenues, the management has assessed and revised its commercial operations and the expected cashflow and revenue streams associated with the business, hence, the reduction in valuation lead to make the necessary impairment of its LPTV assets.

The Company is proceeding ahead steadily in its re-installation effort and it believes that the COVID-19 situation will eventually be under control and economy recover.

LIQUIDITY AND FINANCIAL RESOURCES

The total equity attributable to the owners of the Company decreased to approximately US$106,103,000 as at 31 December 2020 as compared with approximately US$227,553,000 in 2019 which was mainly derived from the operation loss for the year. During the year, net proceeds of approximately US$2,990,000 was raised by issue of new shares pursuant of the Right Issue on 11 March 2020 and approximately US$2,920,000 was raised by the share placement on 13 July 2020.

Current assets amounted to approximately US$5,519,000 (2019: approximately US$9,303,000) comprising bank balances and cash of approximately US$447,000 (2019: approximately US$342,000), trade and other receivables of approximately US$970,000 (2019: approximately US$1,352,000), amount due from a related company of approximately US$2,212,000 (2019: approximately US$6,662,000), amount due from an associate of approximately US$890,000 (2019: approximately US$947,000) and assets classified as held for sale of approximately US$1,000,000 (2019: Nil).

Current liabilities amounted to approximately US$8,578,000 (2019: approximately US$17,440,000) representing trade and other payables of approximately US$5,998,000 (2019: approximately US$3,873,000), amounts due to shareholders of approximately US$1,932,000 (2019: approximately US$12,992,000), lease liabilities of approximately US$309,000 (2019:US$236,000) and tax payable of approximately US$339,000 (2019: approximately US$339,000). As at 31 December 2020, the Group's current ratio was 0.64 (2019: 0.53).

On 11 March 2020, the Company raised approximately HK$24,700,000 (equivalent to approximately US$3,145,000) before expenses by way of issuance of 37,984,428 new shares pursuant to the Rights Issue. The Company intends to apply the net proceeds from the Rights Issue for general working capital and the development of the Maritime Project. Details of the Rights Issue are set out in the prospectus and the announcement of the Company dated 18 February 2020 and 10 March 2020, respectively.

On 2 July 2020, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 45,412,879 new shares of the Company for an aggregate consideration of approximately HK$22,706,440 at the subscription price of HK$0.50 per subscription share. The subscription was completed on 13 July 2020. The intent of the proceeds was repayment of advance from shareholders and to strengthen the general working capital of the Company.

The Group's cash and cash equivalents as at 31 December 2020 were mainly denominated in United States Dollars, Hong Kong Dollars and Renminbi.

TREASURY POLICIES

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

INDEBTEDNESS

Convertible notes of the Group as at 31 December 2020 amounted to approximately US$53,373,000 (2019: approximately US$47,773,000). The gearing ratio (a ratio of total loans to total assets) was approximately 28.8% (2019: approximately 15.1%), reflecting the Group's financial position was at a optimal level. Other than convertible notes, the Group did not have any bank borrowings as at 31 December 2020 (2019: Nil).

As at 31 December 2020, neither the Group nor the Company has any significant contingent liabilities (2019: Nil).

CAPITAL COMMITMENTS

As at 31 December 2020, the Group and the Company did not have any significant capital commitments (2019: Nil).

PLEDGE OF/CHARGE ON ASSETS

As at 31 December 2020, neither the Group nor the Company has pledged or charged its assets to secure borrowings (2019: Nil).

OFF-BALANCE SHEET TRANSACTIONS

As at 31 December 2020, the Group did not enter into any material off-balance sheet transactions (2019: Nil).

FOREIGN CURRENCY EXCHANGE RISK

Most of the assets, liabilities and transactions of the Group are denominated in United States dollars. The management of the Group considers that foreign exchange risk does not have significant impact to the Group, therefore, the Group did not make any hedging arrangement for the year ended 31 December 2020.

SEGMENTAL INFORMATION

Details of segmental information of the Group are set out in note 4 to this announcement.

EMPLOYEE BENEFITS

The average number of employees of the Group for the year ended 31 December 2020 was approximately 25 (2019: approximately 30). The Group's staff costs (including Directors' fees and emoluments) for the year ended 31 December 2020 amounted to approximately US$1,151,000 (2019: approximately US$1,353,000). The Group offers a competitive remuneration package to retain elite employees, including salaries, medical insurance, discretionary bonuses, other fringe benefits as well as mandatory provident fund scheme for employees in Hong Kong. The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice. Share options would be granted to respective employees with outstanding performance and contributions to the Group.

SHARE OPTION SCHEME

The Group adopted a share option scheme on 18 December 2015 (the "**Share Option Scheme**") for the purposes of providing incentives and rewards to eligible participants to recognise their contribution to the Group and enhancing their sense of ownership.

The Company granted 54,956,892 share options on 17 May 2019 to certain consultants for the purpose of fund-raising activities, development of CMMB Business and seeking for new investment opportunities in CMMB Business.

As a result of the share consolidation which was effective on 12 November 2019, the exercise price per share and number of outstanding share options granted on 17 May 2019 were adjusted from HK$0.075 to HK$1.50 and from 54,956,892 options to 2,747,844 respectively.

As a result of the Rights Issue which was completed on 11 March 2020, the exercise price per share and number of outstanding share options granted on 17 May 2019 were further adjusted from HK$1.50 to HK$1.516 and from 2,747,844 options to 2,718,843 options respectively ("**Outstanding Share Options**").

On 5 August 2020, the Company cancelled the above Outstanding Share Options as the exercise price of the Outstanding Share Options has been consistently high when compared with the prevailing market price of the Shares, which deters the option holders of the Outstanding Share Options (the "**Existing Holders**") from exercising the Outstanding Share Options. As a result, the Outstanding Share Options could no longer serve the purpose to motivate the Existing Holders.

On 4 September 2020, The board of directors has resolved to grant share options (the "**Share Options**") under the Share Option Scheme to certain eligible persons (collectively, the "**Grantees**") the right to subscribe for a total of 10,896,000 ordinary shares of HK$0.20 each in the share capital of the Company, which represents approximately 4% of the Company's issued share capital at the date of grant.

The Group has recognised share-based payments expense in profit or loss of US$171,000 related to equity-settled share-based payment transactions for the year ended 31 December 2020.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2020.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group is actively exploring other business opportunities and diversify its revenue stream and bring better return to the shareholders of the Company.

On 6 January 2021 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the "**MOU**"), pursuant to which the Company intends to acquire a controlling stake of Ultra Intelligent Technology Co Ltd ("**UIT**") (the "**Potential Acquisition**") which is an award-winning technology start-up specialized in the area industrial wireless communication networking and system architecture. The consideration for the Potential Acquisition will be determined based on further due diligence and third-party evaluation on UIT, and negotiations between the management.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the shareholders of UIT is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Save as disclosed herein, the Directors currently do not have any future plans for material investments or capital assets. The Directors will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 20 January 2021, the Company has resolved to grant 11,810,439 new share options to (i) seven Directors to subscribe for 1,665,000 Shares, (ii) employees to subscribe for 1,808,439 Shares and (iii) consultants to subscribe for 8,337,000 Shares, subject to their respective acceptance, under the Share Option Scheme of the Company. For details, please refer to the announcement of Company dated 20 January 2021.

Subsequent to the year-end date, the Group entered into an assignment of the lease agreement ("**Agreement**") with the purchaser, pursuant to which the Group agreed to assigns, transfers, novates and conveys absolutely to the purchaser all of the Group's benefits, entitlements, interests, rights and remedies, and all covenants, obligations and liabilities arising from the time brokerage agreement/ancillary spectrum lease agreement and asset purchase option pertaining to the KMMC Station entered between the Group and New York Spectrum Holdings Company LLC ("**NYSHC**"), as the lessor of the license and authorizations of KMMC Station ("**KMMC Lease**").

The consideration to be paid by the purchaser for the spectrum disposal ("**Spectrum Disposal**") is US$1,000,000.

The Group expects to recognise impairment loss on Spectrum Disposal of approximately US$574,000 from the Spectrum Disposal, being the difference between (i) the consideration for the Agreement and (ii) the carrying amount of the lease assets as recorded in the intangible assets of the Group's accounts at Completion and the estimated expenses for the Spectrum Disposal as at 31 December 2020.

Apart from those disclosed herein, there were no significant event after the reporting period and up to the date of this announcement.

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

On 11 March 2020, 37,984,428 Shares were issued pursuant to the Rights Issue. Please refer to the paragraph headed "RIGHTS ISSUE" for details.

On 13 July 2020, 45,412,879 Shares were issued and allotted to the Subscribers under the Placing. Please refer to the paragraph headed "PLACING OF NEW SHARES UNDER GENERAL MANDATE" for details.

On 29 October 2020, 5,448,000 ordinary shares of the Company were issued pursuant to the exercise of share options granted under the share option scheme adopted on 18 December 2015.

Save as disclosed herein, during the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PROSPECTS

CMMB BUSINESS

As a result of the reassignment of frequencies, the Company has started retrofitting its broadcasting equipment to conform with new FCC guidelines and will continue to do so into 2021. The reassignment has forced certain Company's leased stations to go silent and hence revenue suspension. Nevertheless, it also brings about new opportunities, such as co-channel sharing with more seasoned TV operators for business synergies, such as channel and revenue sharing, joint marketing, and spreading out operational costs.

The introduction of FCC's ATSC 3.0 will enable the Company's leased channels to offer unprecedented digital capabilities to garner diverse services, such as Internet broadcasting, data services, and edge device content caching targeting household and mobile users in addition to the traditional linear TV broadcasting.

The ATSC 3.0 also carries with it a general requirement for full-power stations who choose to upgrade to ATSC 3.0 to maintain its current ATSC-compatible signal for at least 5 years, while low-power stations are exempt from this simulcasting requirement. This would mean that low-power TV can act as partners for full-power TV stations to start converting some of their full power services to cater to their audiences and start the general mass market migration to ATSC 3.0 services. In other words, low-power stations can effectively serve as the transitional "platform and hence many new revenue opportunities.

Silkwave, the associate of the Company, will bring together the necessary space and terrestrial technology, licenses, content and other partnerships on single platform with complete ecosystem support for in-vehicle-infotainment services in China. The Company plays the role of being a dedicated technology and service provider to Silkwave and its ecosystem partners. As China is the world's largest automobile market, with nearly 300 million cars on the road and 30 million new cars coming to the market, it will be our primary and flagship market. Silkwave also plans to expand services to other Asia countries via turnkey solution.

Silkwave has also enlisted a top-tier investment bank to lead its fundraising to procure a new-generation satellite to replace its retiring AsiaStar satellite and to support commercial development. The new satellite is expected to have 100 times the power level to multiply Silkwave's capability to support large-scale mass-market commercial deployment. Currently it is awaiting regulatory approval in China.

TRADING BUSINESS

There are several factors affecting the business, including life cycle for our clients' electronic products, saturating demand for generic PCB, export limitation, increasing trade tension between China and the US, which combined to contribute to a somewhat negative outlook for the PCB business. As a result, we anticipate our trading business will continue to face challenging times in the year ahead. To tackle that, the Company is ramping up its R&D and up-grading its product capabilities to more niched and higher value-added products, such as the upcoming satellite and connected-car electronics, which the Company has recently tremendous expertise and industry relationship.

DEVELOPMENT OF MARITIME PROJECT

Earlier in the year, the Company has announced that it has commenced satellite multimedia service for ships and boats in China via partnership with Sino Satellite Communication. The number of ships covered by the service has been steadily increasing as the maritime entertainment industry expands. The Company is also working to expand the business by incorporating its AsiaStar mobile satellite broadcasting capability to provide more expansive services over the South China Sea, potentially servicing the millions of fishing boats, commercial freighters and cruise liners and their many more passengers and operators.

The maritime application leverages on the Company's satellite connected-car multimedia technology ecosystem and is readily adoptable. Trial service is underway. The Company's AsiaStar is a pan-Asia satellite which covers the whole Southeast Asia and the 9 million square miles of the South China Sea in addition to China. While the Company is awaiting regulatory approval for its connected-car business in China, it will explore different business opportunities in the Southeast Asian region by providing turnkey solution and creating franchising arrangement with different regional operators to jump-start its satellite multimedia business.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a revised code of conduct regarding securities transactions by Directors on terms no less exacting than the required standards under the revised Model Code for Securities Transactions by Directors of Listed Issuer ("**Model Code**") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code throughout the year ended 31 December 2020 and all the Directors confirmed that they have fully complied with the required standard set out in the Model Code and the code of conduct throughout the year ended 31 December 2020.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2020. (31 December 2019: nil).

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2020.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

EMPHASIS OF MATTER

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The accompanying consolidated financial statements for the year ended 31 December 2020 have been prepared assuming that the Group will continue as a going concern. We draw attention to note to the consolidated financial statements which indicated that the Group incurred a net loss attributable to owners of the Company of approximately US$127,700,000 for the year ended 31 December 2020, and as at the same date, the Group's current liabilities exceeded its current assets by approximately US$3,059,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As explained in note to the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis. Our Opinion is not modified in respect of this matter.

SCOPE OF WORK OF CONFUCIUS INTERNATIONAL CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in the Preliminary Announcement have been agreed by the auditor of the Group, Confucius International CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year.

The work performed by Confucius International CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Confucius International CPA Limited on the Preliminary Announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") currently comprises a total of four members, being one non-executive Director, namely, Mr. Chou Tsan-Hsiung, and three independent non-executive Directors, namely, Dr. Li Shan (Chairman), Dr. Li Jun and Mr. Chow Kin Wing.

The Audit Committee has reviewed the audited annual results and the consolidated financial statements of the Group for the year ended 31 December 2020, together with the auditor of the Company and have discussed with management, the accounting policies adopted by the Group and its internal controls and financial reporting matters.

CODE OF CORPORATE GOVERNANCE

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

The Company has complied with the requirements of the Code Provisions in the CG Code throughout the year ended 31 December 2020 except that the Company has been deviated from Code Provision A.2.1 of the CG Code, as the roles of Chairman and chief executive officer of the Company were not separate. With effect from 19 May 2008, Mr. Wong Chau Chi ("**Mr. Wong**") had been re-designated as the Chairman and Mr. Wong also remains as the chief executive officer of the Company. According to Code Provision A.2.1 of the CG Code, the roles of a chairman and a chief executive officer should be separate and should not be performed by the same individual. Given Mr. Wong has had extensive experience in the business of the Group and has performed satisfactorily since his joining of the Company in 2007, particularly in soliciting for possible new business opportunities and deducing the overall strategic plan for the future development of the Company, the Board considers that it would be beneficial to the Group if Mr. Wong is also in charge of overseeing the Company's operations as the Chairman. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will regularly review the effectiveness of this arrangement.

PUBLICATION OF RESULTS ANNOUNCEMENT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/cmmbvision). The 2020 annual report will be dispatched to shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 29 March 2021

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