THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CMMB Vision Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)

(I) CONNECTED TRANSACTIONS — ACQUISITION OF 65% OF THE ISSUED SHARE CAPITAL OF CMMB INTERNATIONAL; (II) PROPOSED GRANT OF SPECIFIC MANDATE; AND (III) PROPOSED REFRESHMENT OF THE EXISTING ISSUE MANDATE

Independent financial adviser to
the Independent Board Committee and the Independent Shareholders

VEDA | CAPITAL
智略資本

A letter from the Board is set out on pages 5 to 25 of this circular.

A letter from the Independent Board Committee (as defined in this circular) containing its advice to the Independent Shareholders (as defined in this circular) is set out on page 26 of this circular.

A letter from Veda Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 27 to 46 of this circular.

A notice convening the EGM of the Company to be convened and held at President Room, The American Club, Floor 48, Exchange Square Two, Central, Hong Kong on 9 May 2011 at 3:00 p.m. is set out on pages 52 to 55 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with Computershare Hong Kong Investor Services Limited, the Company's Hong Kong Branch Share Registrar and Transfer Office, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at least 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

15 April 2011

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In this circular, the following expressions have the meanings set out below unless the context requires otherwise.

"Announcements"	the announcement of the Company dated 24 December 2010, 31 December 2010 and 16 February 2011
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"B-to-B"	business to business
"B-to-C"	business to customers
"CBC"	中廣傳播 (China Broadcasting Company), the sole and official CMMB operator established by SARFT in the PRC
"Chi Capital"	Chi Capital Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability, which is wholly owned by Mr. Wong Chau Chi, the chief executive officer, an executive Director of the Company and the chairman of the Board
"Chi Capital Acquisition"	the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA)
"Chi Capital SPA"	the sale and purchase agreement dated 24 December 2010 entered into between the Company as the purchaser and Chi Capital as the seller with respect to the sale and purchase of 51% interest of CMMB International
"Company"	CMMB Vision Holdings Ltd., a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Consideration Shares"	the 91,680,000 new Shares of the Company to be issued to Chi Capital as consideration for the Chi Capital Acquisition under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the 280,770,000 new Shares to be issued to Skyrise as consideration for the Skyrise Acquisition under the Skyrise SPA

"CMMB"	China Mobile Multimedia Broadcasting, a digital mobile multimedia technology developed by China under the SARFT. It delivers digital mobile TV via satellite network directly to all mobile devices such as hand-phone, pocket TV, lap-tops, personal media player and GPS that are equipped with a CMMB-enabled chipset. It provides video, audio, and data broadcasting and downloading to mobile users anytime anywhere without bandwidth limitation and is high definition quality and low cost, and can receive signals over 350 kilometre/hour without distortion
"CMMB International"	CMMB International Limited, a company incorporated under the laws of Hong Kong
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approve the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA), Chi Capital Acquisition, the Skyrise SPA, Skyrise SPA Acquisition contemplated thereunder, and to grant the Specific Mandate and the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate
"Existing Issue Mandate"	the general mandate granted to the Directors to allot, issue and deal with 573,024,000 Shares, being 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the annual general meeting held on 30 June 2010
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Board Committee"	an independent committee of the Board established by the Board to advise the Independent Shareholders in respect of the Chi Capital Acquisition, Skyrise Acquisition, the specific mandate to issue Consideration Shares and the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate

"Independent Third Party"	a person, or in the case of a company, the company and its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s)) and their respective associates
"Independent Shareholders"	the Shareholders other than Mr. Wong Chau Chi and his associates
"IP data"	information and contents that are converted into protocols or codes that can be transmitted through Internet by the Internet Protocol
"New Issue Mandate"	the general mandate proposed to be sought at the EGM to authorize the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM
"Last Trading Day"	24 December 2010
"Latest Practicable Date"	14 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained therein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC" or "China"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"PCB"	printed circuit boards
"RMB"	Renminbi, the lawful currency of the PRC
"SARFT"	國家廣播電影電視總局 (the State Administration of Radio, Film, and Television) of the PRC
"SFO"	Securities and Futures Ordinance
"Shares"	ordinary shares of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Skyrise"	Sky Rise Technology Limited, a company incorporated under the laws of Hong Kong with limited liability. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Skyrise and its ultimate beneficial owner are Independent Third Parties
"Skyrise Acquisition"	the transactions contemplated under the Skyrise SPA

"Skyrise SPA"	the sale and purchase agreement dated 24 December 2010 entered into between the Company as the purchaser and Skyrise as the seller with respect to the sale and purchase of 49% interest of CMMB International
"Specific Mandate"	a specific mandate to be considered, and, if thought fit, granted by the Shareholders to the Board to issue the Consideration Shares
"STiMi"	Satellite Territorial interactive Mobile infrastructure, a core technology of CMMB
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic Business Development Agreement"	the strategic business development agreement dated 25 January 2010 entered into between the Company and Motorola, Inc. regarding the cooperation between the parties in the development of CMMB technology around the world
"Supplemental Chi Capital SPA"	the supplemental agreement dated 16 February 2011 entered into between the Company and Chi Capital which amended certain terms of the Chi Capital SPA
"TiMi Technologies"	北京泰美世紀科技有限公司 (TiMi Technologies Co., Ltd.), a company established in the PRC under the Academy of Broadcasting Science (廣播科學研究院) under SARFT and an Independent Third Party
"Veda Capital"	Veda Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA), the Chi Capital Acquisition, the Skyrise SPA and the Skyrise Acquisition, and the New Issue Mandate
"WiMax"	an alternative to 4G, based on an IEEE standard 802.16(e), which can provide wireless Internet connectivity. However, its wireless connectivity is localized
"3G"	third generation mobile technology, which can deliver mobile phone calls (voice) and mobile Internet data. It is a digital communication (i.e., two-way) technology and hence unicast in nature, which limits its ability to deliver massive data and content to all users at once
"4G (LTE)"	fourth generation mobile technology, which adopts the same network architecture of 3G, but which can facilitate greater data content delivery by employing certain multicast technique. The relevant industry standard is called LTE (Long Term Evolution)

CMMB VISION HOLDINGS LIMITED
中國移動多媒體廣播控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 471)

Executive Directors:
Mr. WONG Chau Chi (*Chairman*)

Non-executive Directors:
Mr. CHOU Tsan-Hsiung
Mr. YANG Yi
Dr. LI Jun
Dr. Hui LIU

Independent non-executive Directors:
Mr. WANG Wei Lin
Mr. YU Kam Kee Lawrence (BBS, MBE, JP)
Mr. Shan LI

Registered office:
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Grand Cayman KY1-1111
Cayman Islands

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3A Chater Road, Central
Hong Kong

15 April 2011

To the Shareholders,

Dear Sir or Madam,

(I) CONNECTED TRANSACTIONS — ACQUISITION OF 65% OF THE ISSUED SHARE CAPITAL OF CMMB INTERNATIONAL (II)PROPOSED GRANT OF SPECIFIC MANDATE; AND (III) PROPOSED REFRESHMENT OF THE EXISTING ISSUE MANDATE

1. INTRODUCTION

Reference is made to the Announcements.

On 24 December 2010, the Company announced that it has entered into the Chi Capital SPA and the Skyrise SPA with Chi Capital and Skyrise respectively, pursuant to which the Company as the purchaser has conditionally agreed to purchase, and each of Chi Capital and Skyrise as the sellers have conditionally agreed to sell, 51% and 49% interest in CMMB International respectively. In view that allowing Chi Capital to remain as a direct and substantial shareholder of CMMB International will provide more incentive for Chi Capital to bring in financial and development assistance to CMMB International when required, including but not limited to the provision of further capital and introduction of third party investors or external experts, on 16 February 2011, the Company further announced that it has entered into the Supplemental Chi Capital SPA with Chi Capital to amend certain terms of the Chi Capital SPA. In particular, to reduce the percentage interest of CMMB International to be acquired from Chi Capital from 51% to 16 %. CMMB International holds the international development and licensing rights of CMMB technology granted by TiMi Technologies for the commercial development and exploitation of CMMB technology outside of the PRC.

The consideration for the Chi Capital Acquisition and the Skyrise Capital Acquisition is valued at HK$12,835,200 and HK$39,307,800, respectively, which will be paid by way of the Company issuing the Consideration Shares at the issue price of HK$0.140 per Share, of which, 91,680,000 new Shares will be issued to Chi Capital and 280,770,000 new Shares will be issued to Skyrise, credited as fully paid. The Consideration Shares in aggregate represents (i) approximately 10.83% of the entire issued share capital of the Company immediately prior to the issue of the Consideration Shares and; (ii) approximately 9.77% of the entire issued share capital of the Company as enlarged by the issuance of the Consideration Shares. Upon issuance, the Consideration Shares will rank *pari passu* with all the then existing Shares in issue. An application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

Chi Capital is wholly-owned by Mr. Wong Chau Chi, the chief executive officer, an executive Director of the Company and the chairman of the Board, and is holding 139,820,000 Shares as at the date hereof. As such, Chi Capital is a connected person of the Company under the Listing Rules and accordingly the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Chi Capital Acquisition thereunder constitute a connected transaction for the Company. As the applicable percentage ratios (other than the profit ratio) of the Chi Capital Acquisition is more than 5%, the Chi Capital Acquisition is subject to the approval of the Independent Shareholders.

Skyrise and its ultimate beneficial owner are Independent Third Parties, but as Skyrise is a substantial shareholder of CMMB International and CMMB International will become a partially owned subsidiary of the Company upon completion of the Chi Capital Acquisition and the Skyrise Acquisition, the Skyrise Acquisition thereunder is treated as a connected transaction for the Company under Rule 14A.13(1)(b) of the Listing Rules.

Pursuant to Rules 14A.25 and 14A.26 of the Listing Rules, the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) will be aggregated with the transactions contemplated under the Skyrise SPA. When aggregated, each of the applicable percentage ratios (other than the profits ratio) under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA is more than 5% and the total consideration is more than HK$10,000,000 in monetary value. Accordingly, the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA are subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In addition, pursuant to Rules 14.22 and 14.23 of the Listing Rules, the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) will be aggregated with the transactions contemplated under the Skyrise SPA. When aggregated, each of the applicable percentage ratios (other than the profits ratio) under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA is less than 25%. Accordingly, the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA constitute discloseable transactions of the Company under the Listing Rules, and are subject to the reporting, announcement but exempt from the Shareholders' approval requirements set out in Chapter 14 of the Listing Rules.

In addition, in order to provide flexibility for the Company to raise further funds for its future business developments and/or any investment opportunities identified by the Company, the Company proposes to seek a refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate at the EGM.

As the proposed refreshment of the Existing Issue Mandate is being made prior to the Company's next annual general meeting, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing Issue Mandate will be subject to Independent Shareholders' approval by way of poll at the EGM, where any controlling Shareholders and their associates or, where there is no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company shall abstain from voting in favour of the resolution regarding the refreshment of the Existing Issue Mandate. As at the Latest Practicable Date, no Shareholder held more than 30% of the issued share capital of the Company. As there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates are required to and will abstain from voting for the resolution in relation to the proposed refreshment of the Existing Issue Mandate to be proposed at the EGM in accordance with Rule 13.36(4) of the Listing Rule.

The purpose of this circular is:

1. to provide you with further information on the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA, the proposed grant of specific mandate to issue the Consideration Shares and the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate;

2. to set out the advice of Veda Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA), the Chi Capital Acquisition, the Skyrise SPA and the Skyrise Acquisition, and the grant of the New Issue Mandate;

3. to set out the recommendation of the Independent Board Committee in respect of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA), the Chi Capital Acquisition, the Skyrise SPA and the Skyrise Acquisition and the grant of the New Issue Mandate; and

4. to give you notice of the EGM at which ordinary resolutions will be proposed for the Independent Shareholders to consider, and if thought fit, to approve the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA, the transactions thereunder, the grant of a specific mandate to issue Consideration Shares and the grant of the New Issue Mandate.

2. THE CONNECTED AND DISCLOSEABLE TRANSACTIONS

A. The Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA

The major terms of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA are as follows:

The Chi Capital SPA (as amended by the Supplemental Chi Capital SPA)

Date:	24 December 2010 and 16 February 2011
Parties:	(1) Chi Capital as the seller; and (2) the Company as the purchaser.
Subject:	Pursuant to the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA), Chi Capital agreed to sell and the Company agreed to purchase 16% interest of CMMB International.
Consideration:	The consideration payable to Chi Capital under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) is HK$12,835,200. The original purchase cost of the 16% interest in CMMB International by Chi Capital was HK$157.
Payment:	The consideration is valued at HK$12,835,200, the entire amount of which will be paid by way of the Company issuing 91,680,000 new Shares at an issue price of HK$0.140 per Consideration Share.
Conditions Precedent:	Completion of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) is conditional upon, among other things, (i) satisfactory due diligence on CMMB International; (ii) respective approvals from the board and/or the shareholders of the Company and Chi Capital where applicable; (iii) approvals by relevant regulatory bodies, including approval of listing of the Consideration Shares being granted by the Stock Exchange.

The Skyrise SPA

Date:	24 December 2010
Parties:	(1) Skyrise as the seller; and (2) the Company as the purchaser.

Subject:	Pursuant to the Skyrise SPA, Skyrise agreed to sell and the Company agreed to purchase 49% interest of CMMB International.
Consideration:	The consideration payable to Skyrise under the Skyrise SPA is HK$39,307,800. The original purchase cost of the 49% interest in CMMB International by Skyrise was HK$409.
Payment:	The consideration is HK$39,307,800, the entire amount will be paid by way of the Company issuing 280,770,000 new Shares at an issue price of HK$0.140 per Consideration Share.
Conditions Precedent:	Completion of the Skyrise SPA is conditional upon, among other things, (i) satisfactory due diligence on CMMB International; (ii) respective approvals from the board and/or the shareholders of the Company and Skyrise where applicable; (iii) approvals by relevant regulatory bodies, including approval of listing of the Consideration Shares being granted by the Stock Exchange.

B. **Reasons for and benefits of the Chi Capital Acquisition and the Skyrise Acquisition**

CMMB is China's self-developed mobile multimedia technology. It is developed by TiMi Technologies under the Academy of Broadcasting Science (廣播科學研究院) under SARFT. CMMB technology is based on the architecture of STiMi, of which Dr. Liu Hui, a Director and the Vice-Chairman of the Company, is a principal founder. CMMB technology, as the mobile TV standard in the PRC, has spurred the world's largest development of the mobile TV with diverse commercial services operated by CBC, the sole and official operator in the PRC.

Mobile multimedia is a global trend and a new consumer preference. As evidenced by its success in the PRC, the Board believes CMMB technology has great potential in the international markets. With surging numbers of mobile users and television viewers around the world, compounded with the surging mobile internet traffic due to video and data downloads, the demand for a mobile multimedia solution has never been greater. It is estimated that compared to 2009 figures, mobile data traffic will increase by as much as 39 times by 2014, which conventional mobile telecom networks will not be able to accommodate. The Board considers that China's self-developed CMMB mobile multimedia technology is currently the most mature technology that countries around the world could adopt.

With the acquisition of CMMB International, partnerships with TiMi Technologies and Motorola, Inc., and leveraging on its China experience, the Board believes the Company has already built the platform with unparalleled abilities to develop and promote CMMB outside of the PRC. In particular, through partnerships, the Company will develop the new generation hybrid CMMB—broadband technologies that will integrate with networks in respective countries to deliver converged mobile video and internet data services with virtually unlimited bandwidth. Dr. Liu Hui, a principal founder of the CMMB technology, and a Director and the Vice-Chairman of the Company, will lead the efforts. The Company has already commenced discussions with major telecommunication and media operators outside of the PRC such as the United States of America and Indonesia for joint CMMB development and is planning to launch technical and commercial trials in such countries in the near future.

The consideration for the Chi Capital Acquisition and the Skyrise Capital Acquisition is valued at HK$12,835,200 and HK$39,307,800, respectively, amounting to approximately HK$52,143,000. The price was determined based on arm's length negotiation between the parties thereto taking into account various factors, including, the Directors' assessment of the business potential of CMMB, its technological uniqueness, functionalities and competitive edge, readiness for commercial deployment and application, the existence of ecosystem and market, and its relevancy and strategic value to the Company transition plan from a manufacturer of PCB to a hi- tech developer and service provider in the mobile telecommunications and information technology industry. In view of the promising prospects of CMMB as set out in the paragraph "General information on CMMB" below, the Directors believe the business potential for CMMB is immense and the value of the equity interests in CMMB International is way beyond its current price. However, considering that global development of CMMB is still in its initial stage with different political, economical, and technological risks, the total consideration for the acquisition of the 65% interest in CMMB International was commercially agreed with Chi Capital and Skyrise at the current level. The consideration was not determined by reference to the NAV of CMMB International, which the Directors consider as not a meaningful factor to take into account.

The Directors, not including the independent non-executive Directors, considered that the terms of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA are fair and reasonable and in the interest of the Shareholders as a whole.

The Independent Board Committee, comprising of the independent non-executive Directors, having taking into account the advice and recommendations from Veda Capital, is of the view that the terms of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA have been entered into on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

C. Shareholding structure upon completion of the Chi Capital Acquisition and the Skyrise Acquisition

The shareholding structure of the Company before and immediately after completion of the Chi Capital Acquisition and the Skyrise Acquisition is set out below:

As at the Latest Practicable Date:

Name of shareholder	Number of Shares held	Percentage of shareholding
Hansom Group Limited *(Note 1)*	479,450,000	13.95%
Chi Capital and its associates *(Note 2)*	139,820,000	4.07%
Public shareholders	2,818,874,000	81.98%
Total:	3,438,144,000	100%

Immediately upon completion of the Chi Capital Acquisition and the Skyrise Acquisition:

Name of shareholder	Number of Shares held	Percentage of shareholding
Hansom Group Limited *(Note 1)*	479,450,000	12.58%
Chi Capital and its associates *(Note 2)*	231,500,000	6.08%
Skyrise	280,770,000	7.37%
Public shareholders	2,818,874,000	73.97%
Total:	3,810,594,000	100%

Notes:

1. *Hansom Group Limited is 100% held by Goodluck Overseas Limited, which in turn is 100% beneficially owned by Mr. Zhou Qingzhi*

2. *Chi Capital is 100% beneficially owned by Mr. Wong Chau Chi, the CEO, Chairman of the Board and an executive Director*

D. GENERAL INFORMATION ON CMMB

Overview

CMMB is a digital broadcasting technology that can be used for delivering mobile Internet data, TV and video. It is a technology developed in the PRC. Based on the Orthogonal Frequency Division Multiple Access (OFDMA), the same core technology used in 3G, Wimax, and 4G, CMMB is the digital broadcasting technology for the 21st century. CMMB differs from the conventional mobile data network such as 3G cellular systems, which adopts a two way, one-to-one (unicast) data delivery architecture, in that it adopts a one way, one-to-many broadcasting (multicasting) delivery of data.

Such technology tremendously increases spectrum efficiency as the same digital content can be transmitted to an unlimited number of receivers on minimal spectrum resources. It is ideal for broadcasting of digital content which has wide interest such as live television programs. CMMB can also be differentiated from other competing technologies such as MediaFLO and DVB-H in the following areas:

(a) CMMB can deliver digital content via both terrestrial and satellite transmissions. By contrast, MediaFLO can only be transmitted by terrestrial means only; and

(b) while DBV-H could also be transmitted by both terrestrial and satellite, the high infrastructure cost and limited choices and high price of supported equipment means its mass market remains insignificant.

All consumers with electronic devices which can receive CMMB signals such as handsets, laptops, MP4, or dongles can enjoy the CMMB service. It is a technology that complements the current conventional mobile network technologies such as 3G, WiMax, or even LTE, which are based on the unicast architecture (i.e. one-to-one phone line) and cannot accommodate the rapidly growing traffic flow.

Current global Internet traffic pattern shows that 5% of the top Internet content accounts for 60% to 70% of all Internet use worldwide. Mobile Internet traffic is expected to grow 39 times by 2013 and most of it is video download driven. The Directors considers the capability of CMMB to multicast makes it the most suitable technology to solve such “common traffic bottleneck” and the growth is immense.

China, under the sponsorship of SARFT, has adopted the CMMB technology as the national mobile TV standard and created the world’s largest network and ecosystem and supply chain to support the commercialization of CMMB. Currently, CMMB is operated by CBC, a state owned enterprise under SARFT, and has been deployed in over 330 cities in China. At present, CMMB is primarily deployed to deliver mobile video in the PRC. According to recent announcements by CBC, there are currently 10 million paying subscribers. Based on publicly available information, such size of subscriber base is generating subscription revenue of approximately RMB120 million. CBC also generates income through (i) the sale of conditional access chips which are required for decoding of data transmitted to CMMB equipped devices such as handsets; (ii) advertising from free-to-air TV programs transmitted through CMMB technology and; (iii) provision of various innovative value-added services such as electronic newspaper and global position system (GPS).

At present, the mobile TV market in the PRC is dominated by 3G technology, which is not suitable and scalable for mass-market TV downloads and video streaming, thus driving the integration of CMMB with 3G services. CBC, the only and official mobile handheld TV operator in the PRC, which has adopted CMMB as the technology to deliver mobile TV in lieu of 3G, has formed a strategic joint-venture with China Mobile to offer a bundled 3G-CMMB service package so that mobile users can use 3G and watch CMMB mobile TV in an effective and low-cost manner. It is expected that the market share of mobile TV and video downloads in China for CMMB will increase significantly in the foreseeable future as the market is developed and enabled by the CMMB technology.

The CMMB technology is ready for immediate deployment in markets that use an 8 MegaHertz (MHz) wide channel for their radio spectrum allocations for mobile video services. This includes much of Asia and the Middle East. The Company is currently working with Timi Technologies and Telepath for the creation of a 6 MHz version of the CMMB chipsets to facilitate the deployment of CMMB technology in nations such as the United States and Canada and much of the Americas, where 6 MHz TV channels are the standard. This development is expected to result in market ready solutions within 2011.

E. **Future plans in relation to the CMMB business**

Business plan

Upon completion of the Chi Capital Acquisition and the Skyrise Acquisition, the Company plans to generate revenue from CMMB from various sources, both in the PRC and outside the PRC.

In the PRC, the Company plans to be a content and value-added service provider for CMMB in partnership with CBC, and deliver its own contents and programming and value-added services to CBC on proprietary channels. The Group, together with Fuxue (Beijing) Media Co., Ltd., in which the Group has a 30% interest, are already offering such services in Liaoning, Yunnan and Ningxia. The Company has acquired strategic stakes and operating control of Fuxue (Beijing) Media Co., Ltd. and Deshen (Beijing) Interactive Media Co., Ltd. in September 2010 (details of which have been disclosed in the Company's announcement dated 3 September 2010, both have ample expertise and resources to produce and aggregate CMMB contents, advertising, new media programs in support of the Company's China business.

Outside the PRC, the Company plans to act as an operator of CMMB, develop and operate CMMB based infrastructure and network, taking up essentially the same role performed by CBC in China. It will primarily be offering capacity services to cellular carriers, network providers and broadcasters to carry their Internet traffic in a wholesale manner. The Company plans to charge a fee for the provision of such services based on data flow, as well as to share a portion of end-user monthly subscription fees. In addition, the Company will provide technology solution to advertisers to broadcast their advertising contents to outdoor LED signage and receive advertising fee and/or merchandizing revenue sharing from advertisers. Such activities do not require the Company to produce content or advertising material. The key target customers for such services are cellular carriers, network providers, TV broadcasters, cable and satellite operators and advertising agencies thus will be a B-to-B focused service.

In addition to the primary B-to-B business model explained above, depending on circumstances of individual markets, the Company may also adopt a B-to-C business model in that it might also provide value-added services having direct access and interaction with end user customers, such as online shopping and e-commerce, quiz show, interactive voting and lotteries. Such services will require a suite of front-end user applications, and back-end service platforms, which the Company currently anticipates will be outsourced to existing service providers should it develop into this business.

As the Company plans to launch CMMB outside the PRC, it will need to develop market specific solutions that require modification of the basic Chinese standard, and requires the cooperation of the ultimate owner of the CMMB technology, namely Timi Technologies. CMMB International has a proprietary licensing agreement with Timi Technology of the Academy of Broadcasting Science under SARFT, the official patent holder and developer of CMMB, to develop and promote the technology worldwide.

On the other hand, the Company's cooperation with Motorola provides the Company with turnkey support for network development and systems integration. In addition, the evolution of the relationship has led to a renewed alignment with Motorola Mobility in support of the creation of innovative CMMB enabled handsets and tablet mobile computing and multimedia devices.

Business model

The Company's business model for CMMB will evolve around the two core functions of CMMB technology, i.e. (i) delivery of life streaming mobile TV; and (ii) delivery of pushed mobile and wireless Internet data content, and will generate revenue by the following channels:

(a) The Company will offer managed services to content providers and mobile telecommunications network carriers and charge a fee based on the volume of data traffic going through the CMMB network.

(b) The Company will offer subscription services with conditional access system for mobile TV, under which consumers will pay a subscription fee to access live contents such as premium TV or videos. This is the same business model currently operated by CBC in China.

(c) The Company will also partner with content owners and providers and utilize the CMMB network to provide on-demand videos. Consumers can place orders for video programs of their choice through Internet and the Company will provide content download through the Company's CMMB network with digital rights management capability (which enables content providers to control or restrict unauthoised redistribution or copying of content so that only paying customers can enjoy such contents).

(d) The Company will also be able to generate advertising revenue through the following sources:

   (i) advertising on CMMB network (similar to conventional TV advertising);

   (ii) personalised advertising. The data push functional characteristics of CMMB can deliver user oriented advertising materials relevant to the content the customer is viewing. For instance, CMMB technology can identify that a particular customer is viewing a sports event and deliver related advertisement to the user;

(iii) location based advertising and transaction sales support. For example, CMMB technology can identify the location of a customer and advertisements from shops or restaurants in nearby area will be delivered to the user;

(iv) out-door LED signage advertising: The Company will offer CMMB solutions to broadcast advertising content to out-door screens without having the need to manually switch and change contents for the numerous outdoor digital signs in public place, cars, subways, buildings, airports etc. The Company will charge for a fee for provision of such solutions or engage in profit sharing arrangements with merchandisers advertising the relevant products and/or advertising agencies; and

(v) interactive media entertainment and e-commerce. Enabled by the convergence of CMMB and 3G, user can vote or participate interactively while viewing live TV shows or programs, using the same CMMB enabled device, or conduct shopping. The Company will provide platform solutions and partner with service providers to deliver such service.

Cost structure

For its China business, the Company will leverage on the existing CMMB network built by CBC to provide contents and services. The Company has formed partnerships with media and content providers, such as China Education TV, CCTV and media associations, and has access to low cost content for delivery in exchange for sharing of advertising revenue. The related cost will mainly be operating and staff cost, which will be funded by revenue generated from its operations.

For the international market, such as the US, which is among the first places where the Company will launch its overseas business, the cost structure will include R&D, network deployment, and operation, including the necessary upfront R&D work which will be essential to make the CMMB technology compatible with US specifications, which will be funded by the external financing, including capital markets or debt financing, and/or shareholders' loan.

In relation to deployment costs, due to its uniqueness, the development costs of a CMMB network will be much less than those required for the development of 3G network. The Company plans to work together with external parties such as handset manufacturers on network and system development and seek external financing in this regard as appropriate. As the Company's major business model in the US is to build and own the CMMB network and then lease its network to customers, such as mobile carriers, content providers and broadcasters, with turnkey support services, its main cost in this regard will be operating cost and network maintenance.

In the longer run, the international CMMB business is expected to be funded by revenue generated from its operations.

Management expertise

Even though CMMB is a new business sector of the Company, the Company already process a professional management team with relevant expertise and/or experience, and the Directors are confident the Company will be able to operate and develop CMMB smoothly.

The principal management team includes the following people:

(i) **Mr. Wong Chau Chi**, Chairman of the Board, an executive Director, and CEO of the Company, has been involved in CMMB development since early 2007, making investments and involving in companies along the CMMB industry value chain, such as CMMB chip and core component making, applications development, system integration, and multimedia production and operation. In addition, Mr. Wong has successfully negotiated and procured CMMB global strategic business agreement with Motorola, Inc., which involved intricating details of CMMB technology and business development globally. Mr. Wong has also been involved in the operation and restructuring of the Printed Circuit Board (PCB) business of the Company, which required business and technology abilities to support its customers such as Motorola, HTC, HP, and LG and Samsung. The activities of CMMB business represent value-added services higher up in the supply chain of the wireless information industry, and the operating experience of PCB business laid the crucial foundation. Furthermore, Mr. Wong has in-depth experience in the finance and investment, having worked for GE, McKinsey, Goldman Sachs, Citibank, etc. His financial background and ability to marry technology development opportunities with capital markets has been crucial to the Company's transformation from a manufacturing base company into a R&D and service base company for CMMB.

Mr. Wong received his BA from Pomona College and Master from Harvard University in the US. He also studied at Oxford University of England.

(ii) **Dr. Liu Hui**, the Vice Chairman and a non-executive Director and the Chief Technology Officer (CTO) of the Company in charge of international technology and business development, is a principal founder CMMB technology and one of the most renowned and respected expert in the field of multi-media broadcasting in the world. Mr. Hui is a tenure professor at the University of Washington in the US and also a developer for OFDMA, WiMax, LTE (4G), and TDS CDMA (China's home-grown 3G technology). He is among the youngest to be awarded as the fellow of the Institute of Electrical and Electronics Engineers (IEEE), a highly respected organization for the electrical and electronic field. Dr. Liu has founded and operated Broadstorm, a developer of most of the above-mentioned technologies, and led the technology team of SARFT to develop and commercialize the CMMB technology, from R&D, to network development system, and business applications in China.

Dr. Liu received his Master from Shanghai Jiatong University and Ph.D from University of Texas, Austin of the US.

(iii) **Mr. Vern Fotheringham**, the international operation chief of the Company, is recognized internationally as an influential industry leader and successful entrepreneur in the wireless and broadband communications industry.

He has been a former chairman of CTB Group, Inc., a major developer of UHF TV spectrum licenses in the US, the principal of V. Fotheringham and Associates, a consultancy firm founded by himself, and provided management consulting services to Nextlink

Wireless, Inc. as their Acting Chief Technical Officer, and the President and CEO of Adaptix, Inc., a world leader in the development of next generation broadband wireless system technology. Mr. Fotheringham has served on numerous public and private boards of directors. He currently serves on the board of directors of: IP Broadband, Ltd., CanAm Holdings, LLC, Asyrmatos, Inc., and SDR Holdings, LLC. Mr. Fotheringham received his BA from California State University, Fullerton, and pursued post-graduate studies at both CSUF in the Masters of Public Administration program, and the Claremont Graduate Schools.

Research and development

The Company has assembled an impeccable research and development (R&D) team for CMMB that has drawn talents from the fields of chip-manufacturing, application development, system integrations engineering, and Internet and media, together with the existing R&D platform focused on PCB manufacturing in Suzhou. In addition, the Company has strategic partnerships with Timi technology of SARFT, and Motorola, Inc. for research and development support. Taken together, the Directors believe the Company possesses unmatched sustainable CMMB research and development capabilities.

Sales and marketing

In relation to sales and marketing, the Company currently plans to develop CMMB proprietary network in the US, and then partner with leading local broadcasters, mobile carriers and content providers as anchor-customers, and provide managed wholesale broadband multimedia services to them. The Company will price competitively against existing mobile delivery services such as 3G, WiFi, and LTE, and plans to capture first market mover advantage, i.e., be the first one to enter all major global markets and lay the network franchise and create sustainable improvement to meet potential challenges from competing technologies or other competitors.

The Company also plans to develop universal CMMB deployment and business solution in the US market and transfer to other international markets for adoption in order to create a global CMMB franchise in the longer run.

Target customers and markets

In terms of geographical coverage, the Company will initially focus on the US and Indonesia markets. Negotiations with network carries and government authorities for CMMB deployment is also currently underway in Canada, Vietnam, the Middle East, and Mongolia. For the Company’s B-to-B CMMB business, the key target customers include content providers, TV broadcasters, cable and satellite operators, mobile telecommunication services operators and advertising agencies. For the B-to-C CMMB business, the target customers include individual end users and paying subscribers for specific content delivered via the CMMB network.

Competition environment

The Directors consider that currently, CMMB is the only viable digital broadcast technology available for the mass market with scalable adoption internationally. In terms of technology, the

Directors believe CMMB is currently superior in terms of functionalities and performances in areas such as data-rate, speed, mobility, energy consumption, and cost of construction compared to other competing technologies such as DVB-H and MediaFLO. From a commercial application point of view, currently CMMB has the most mature deployment and largest supporting supply chain and ecosystem (which includes all major global equipment vendors) in the world thanks to China's national sponsorship of CMMB development since the 2008 Beijing Olympics. Accordingly, the Directors believe CMMB is currently the best technology with the lowest cost of deployment, broadest industry support, and quickest time-to-market deployment.

Competitive Edge

CMMB International has secured an exclusive licence from TiMi Technologies to develop CMMB technology outside the PRC. Under the licence agreement between CMMB International and TiMi Technologies, CMMB International was given a license by TiMi Technologies to utilize a series of intellectual property rights related to CMMB technologies registered by TiMi Technologies. In view of the superior functionalities of CMMB technology, the Directors are confident that the exclusive licence held by CMMB International to develop the same outside the PRC market will enable CMMB International to compete favourably in the global market.

Risk factors

Although the Directors consider the business potential of CMMB as immense, there are also associated risks, including, but not limited to, the following:

(i) *Competing technologies*

There are comparable technologies which can achieve similar functionalities such as DVB-H of the European standard, and Media FLO of the US standard. Whilst currently, none of such standards have the necessary ecosystem support or have been deployed anywhere in the world with any scalability, with the successful development of CMMB and proven business models of the technology, other technologies may follow suit and may even get ahead over next few years and pose competition to CMMB.

(ii) *Political consideration*

As CMMB is essentially a technology developed in China, other countries might be skeptical of its reliability and may be wary about its potential dominance. As each government has its own considerations, political or otherwise, regarding the deployment of media and communication technologies originated from other countries in their own country, there can be no assurance that Company will be successful in obtaining approval, without delay or at all, to deploy CMMB in all markets in which it wishes to develop. In the event the licensing or approval application is delayed or rejected, the Company's development plan for CMMB may be adversely affected.

(iii) *Economic risks*

The Company plans to deploy CMMB in the global market starting with US and Indonesia. Continued economic recovery of such countries and hence financial support from capital markets is essential to the Company's deployment and service commencement plans. Should a financial crisis or economic downturn happen again, the Company's deployment plans may be adversely affected.

F. **Information on CMMB International**

CMMB International was established in Hong Kong with limited liability and is owned as to 51% and 49% by each of Chi Capital and Skyrise respectively immediately prior to the signing of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA. CMMB International has entered into a technology licensing agreement with TiMi Technologies on 27 July 2010, pursuant to which TiMi Technologies as the licensor has granted CMMB International as the licensee the development and licensing rights of CMMB technology (STiMi) outside of the PRC. CMMB International is primarily engaged in the development and expansion of the coverage of CMMB technology outside of the PRC.

The said technology licensing agreement provides CMMB International with all uses necessary and incidental to the manufacture, implementation and operation of CMMB broadcast network systems, equipment and devices and the provision of services in relation to each of the foregoing (including, without limitation, consultancy services, development and integration services, maintenance and support services and certification services), the manufacture or procurement of CMMB network equipment, devices and components and other items incorporating patents, software, documentation, know-how and other materials, and TiMi Technologies' improvements in areas outside of the PRC.

For the period from 2 December 2009 (date of incorporation) to 31 December 2010, the audited financial information of CMMB International is as follows:

	HK$
Net assets value	550
Net profit (loss) before taxation and extraordinary items	(450)
Net profit (loss) after taxation and extraordinary items	(450)

Upon completion of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA, the Company will hold 65% of the interests of CMMB International. CMMB International will become a subsidiary of the Company and its results will be consolidated with that of the Group. As at the Latest Practicable Date, it has not yet recorded any turnover, and its net loss position remains the same as at 31 December 2010.

G. **Future plans in relation to the PCB business**

The Company intends to continue its PCB business. However, in order to optimize the capital structure of the Company, the Company announced on 1 April 2011 that on 30 March 2011, the

Company and Chi Capital Advisers Limited, a company wholly beneficially owned by Mr. Wong Chau Chi, an executive director, pursuant to which the Company agreed to transfer the entire interests of Global Technology International Limited ("GTI"), which holds 100% equity interest of Global Flex (Suzhou) Co., Ltd. ("Global Flex (Suzhou)"), which in turn holds the assets and liabilities of the PCB manufacturing operations of the Group based in Suzhou, the PRC, for a cash consideration of HK$1,000. It is intended that after such disposal, the Company will re-engage GTI as a sub-contractor to continue to execute and process the Company's PCB manufacturing orders.

It is expected that the Company, through its subsidiary Global Flex Trading Center Limited, will continue the business of trading and procurement of PCB for its customers by outsourcing the manufacturing orders of PCB to GTI. Such arrangement is aimed at securing the Company's ability to execute its customer orders for PCB and facilitate a stable and smooth transition of the separation of its trading and manufacturing businesses. By disposing GTI and Global Flex (Suzhou), which have net liabilities of USD11 million, the Company will be able to continue its PCB business without having to bear the associated burden such as manufacturing overheads. In addition, the Company will not be under any obligations to refer all manufacturing orders solely to GTI, and will be able to turn to other PCB manufacturing partners. It is expected that the volume of PCB manufacturing orders to be completed by GTI as a portion to the total manufacturing orders to be procured by the Group will decrease over time. Accordingly, the Company's PCB trading business going forward will not be reliant on GTI and Global Flex (Suzhou). For further details, please refer to the Company's announcement dated 30 March 2011 which was uploaded on the Stock Exchange's website on 1 April 2011.

Furthermore, in order to leverage on its existing PCB expertise (mobile product engineering, assembly, research and development, marketing, logistics) and manufacturing industry experience to support the Company's new CMMB business, the Company will re-align its production capability towards the manufacturing of next generation mobile products such as electronic devices with CMMB compliant devices, and will set up a CMMB product coordination center in Suzhou to coordinate the R&D, manufacturing, process engineering, material procurement, and logistics functions, with a view to become a ODM.

H. **Information on Chi Capital**

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

I. **Information on Skyrise**

Skyrise is a company incorporated in Hong Kong with limited liability and is wholly owned by Mr. Wang Wei. The principal business activity of Skyrise is investment holding. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Skyrise and its ultimate beneficial owner are Independent Third Parties.

J. **Information on the Group**

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

K. **Implications under the Listing Rules**

As Chi Capital is wholly-owned by Mr. Wong Chau Chi, the chief executive officer, and executive Director of the Company and the chairman of the Board, and is holding 139,820,000 Shares as at the date hereof, Chi Capital is a connected person of the Company, and the Chi Capital Acquisition constitutes a connected transaction for the Company.

As the applicable percentage ratios (other than the profit ratio) of the Chi Capital Acquisition is more than 5%, the Chi Capital Acquisition is subject to the approval of the independent Shareholders.

Although Skyrise and its ultimate beneficial owner are Independent Third Parties, as Skyrise is a substantial shareholder of CMMB International and CMMB International will become the Company's subsidiary upon completion of the Chi Capital Acquisition and the Skyrise Acquisition, the Skyrise Acquisition thereunder is treated as a connected transaction for the Company under Rule 14A.13(1)(b) of the Listing Rules. As such, the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Chi Capital Acquisition, and the Skyrise SPA and the Skyrise Acquisition thereunder constitute connected transactions for the Company.

Pursuant to Rules 14A.25 and 14A.26 of the Listing Rules, the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) will be aggregated with the Skyrise SPA. When aggregated, each of the applicable percentage ratios (other than the profits ratio) under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA is more than 5% and the total consideration is more than HK$10,000,000 in monetary value. Accordingly, the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA are subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In addition, pursuant to Rules 14.22 and 14.23 of the Listing Rules, the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) will be aggregated with the transactions contemplated under the Skyrise SPA. When aggregated, each of the applicable percentage ratios (other than the profits ratio) under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA is less than 25%. Accordingly, the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA constitute discloseable transactions of the Company under the Listing Rules, and are subject to the reporting, announcement but exempt from the Shareholders' approval requirements set out in Chapter 14 of the Listing Rules.

3. INFORMATION ON THE CONSIDERATION SHARES AND PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE CONSIDERATION SHARES

Information on the Consideration Shares:

Comparison to share capital of the Company:	The 91,680,000 new Shares to be issued to Chi Capital and the 280,770,000 new Shares to be issued to Skyrise in aggregate represents (i) approximately 10.83% of total number of issued Shares immediately prior to the issue of the Consideration Shares; and (ii) approximately 9.77% of the enlarged issued share capital of the Company as enlarged by the issuance of the Consideration Share.
Price information:	The issue price of HK$0.140 per Share represents (i) a premium of approximately 89.19% to the closing price of HK$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 81.82% to the average closing price of HK$0.077 per Share as quoted on the Stock Exchange for last five consecutive trading days up to and including the Last Trading Day; and (iii) a premium of approximately 68.67% to the average closing price of HK$0.083 per Share as quoted on the Stock Exchange for last ten consecutive trading days up to and including the Last Trading Day.
Ranking:	Upon issuance, the Consideration Shares will rank *pari passu* with all the then existing Shares in issue.
Listing:	An application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

Proposed grant of specific mandate to issue the Consideration Shares:

As the consideration for the Chi Capital Acquisition and the Skyrise Acquisition will be satisfied by way of the Company issuing the Consideration Shares, the Company will seek the grant of a specific mandate from the Shareholders to allot and issue the Consideration Shares.

4. PROPOSED REFRESHMENT OF THE EXISTING ISSUE MANDATE

At the annual general meeting of the Company held on 30 June 2010, the Directors were granted (a) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company then in issue; (b) a general unconditional mandate to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company then in issue; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to in (b) above.

As announced by the Company on 3 September 2010 and 23 November 2010, a total of 573,024,000 Shares have been issued under the Existing Issue Mandate. As at the Latest Practicable Date, 100% of the Existing Issue Mandate had been utilized.

The Board considers that the refreshment of the Existing Issue Mandate will provide flexibility for the Company to raise further funds for its future business developments and/or any investment opportunities identified by the Company. Accordingly, the Directors are of the view that the refreshment of the Existing Issue Mandate is in the interests of the Company and the Shareholders as a whole and proposes to seek a refreshment of the Existing Issue Mandate by way of the grant of the New Issue Mandate to allow the Directors to allot, issue and deal with new shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM. As at the Latest Practicable Date, the Company has not yet identified any specific investment targets or projects, no negotiation in connection thereto is currently underway and no legally binding agreement which is discloseable in this regard has been signed thus has no intended use of the Existing Issue Mandate as refreshed, if approved by the Shareholders at the EGM.

As the proposed refreshment of the Existing Issue Mandate is being made prior to the Company's next annual general meeting, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing Issue Mandate will be subject to Independent Shareholders' approval by way of poll at the EGM, where any controlling Shareholders and their associates or, where there is no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive of the Company shall abstain from voting in favour of the resolution regarding the refreshment of the Existing Issue Mandate. As at the Latest Practicable Date, no Shareholder held more than 30% of the issued share capital of the Company. As there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates are required to abstain from voting for the resolution in relation to the proposed refreshment of the Existing Issue Mandate to be proposed at the EGM in accordance with Rule 13.36(4) of the Listing Rule. At the Latest Practicable Date, the sole executive Director of the Company, Mr. Wong Chau Chi, held through Chi Capital 139,820,000 Shares, representing approximately 4.07% of the issued share capital of the Company. The following non-executive Directors also held Shares in the Company in their personal capacity: (1) Mr. Yang Yi held 20,000,000 Shares; (2) Mr. Chou Tsan-Hsiung held 10,000,000 Shares; (3) Dr. Li Jun held 10,000,000 Shares; and (4) Dr. Liu Hui held 10,000,000 Shares. Pursuant to Rule 13.36(4) of the Listing Rules, the above Directors will abstain from voting in favour of the ordinary resolution in respect of the proposed refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate.

Based on 3,438,144,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased by the Company prior to the EGM, subject to the passing of the relevant ordinary resolution to approve the refreshment of the Existing Issue Mandate at the EGM, the Directors will be authorised to allot, issue and deal with up to a limit of 687,628,800 new Shares under the New Issue Mandate.

5. EGM

Set out in pages 52 to 55 of this circular is the notice to convene and hold the EGM at President Room, The American Club, Floor 48 Exchange Square Two, Central, Hong Kong on 9 May 2011 at 3:00 p.m..

It is proposed that at the EGM, ordinary resolutions for (i) the approval of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the transaction thereunder; (ii) the approval of the Skyrise SPA and the transaction thereunder; (iii) the specific mandate to allot and issue Consideration Shares; and (iv) the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate be put to the Independent Shareholders for their consideration and voting at the EGM. Pursuant to the Listing Rules, at the EGM, (a) Mr. Wong Chau Chi and his associates, including Chi Capital, are required to abstain from voting on the resolution(s) approving the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the transaction thereunder; and (b) Mr. Wong Chau Chi, Mr. Yang Yi, Mr. Chou Tsan-Hsiung, Dr. Li Jun and Dr. Liu Hui and their respective associates, are required to abstain from voting on the resolution approving the refreshment of the Existing Issue Mandate and the grant of the New Issue Mandate. Voting will be conducted by poll pursuant to the Listing Rules.

For the purposes of the EGM, the register of members of the Company will be closed from 5 May 2011 to 9 May 2011 (both days inclusive), during which no transfer of Shares will be registered. Accordingly, holders of Shares whose names appear on the register of members of the Company at the close of business on 4 May 2011 shall have the right to attend the EGM.

Each Shareholder who has the right to attend and vote at the EGM is entitled to appoint one or more proxies, whether they are Shareholders or not, to attend and vote at the EGM on his behalf.

The proxy form for use in connection with the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as practicable and in any event not less than 48 hours before the time appointed for holding of the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

6. RECOMMENDATION

The Board, including the independent non-executive Directors who are members of the Independent Board Committee, is of the opinion that (i) the terms of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA have been entered into on normal commercial terms; and (ii) the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate are fair and reasonable so far as the Company is concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board, including the independent non-executive Directors who are members of the Independent Board Committee, recommends that the Independent Shareholders vote in favour of the resolution set out in the notice of the EGM for (i) the approval of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA and the transactions thereunder (including the procurement of the Company to issue Consideration Shares); and (ii) the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate.

7. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Wang Wei-Lin, Mr. Yu Kam Kee Lawrence BBS, MBE, JP and Mr. Shan Li, being all the independent non-executive Directors, has been formed to consider the terms of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA, the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate and to advise the Independent Shareholders on the same.

Veda Capital has been appointed as the independent financial adviser for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA and the transactions thereunder (including the procurement of the Company to issue Consideration Shares) and the refreshment of the Existing Issue Mandate by way of the grant of the New Issue Mandate.

8. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee, the letter from Veda Capital, the additional information set out in the appendices to this circular and the notice of the EGM.

Yours faithfully,
For and on behalf of the Board of
CMMB Vision Holdings Limited
Wong Chau Chi
Chairman

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)

15 April 2011

To the Independent Shareholders,

Dear Sir or Madam,

(I) CONNECTED AND DISCLOSEABLE TRANSACTIONS -ACQUISITION OF 65% OF THE ISSUED SHARE CAPITAL OF CMMB INTERNATIONAL; (II) PROPOSED GRANT OF SPECIFIC MANDATE; AND (III) PROPOSED REFRESHMENT OF EXISTING ISSUE MANDATE

We refer to the circular dated 15 April 2011 of the Company (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise.

We, being the independent non-executive Directors, have been appointed as the Independent Board Committee to advise you as a Shareholder in connection with (i) the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA and (ii) the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate, details of which are set out in the Letter from the Board contained in the Circular.

Having considered (i) the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA and (ii) the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate, and the advice and opinion of Veda Capital in relation thereto as set out on pages 27 to 46 of the Circular, we are of the opinion that (i) the terms of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA have been entered into on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend that you vote in favour of the resolution to be proposed at the EGM to approve (i) the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA), the Skyrise SPA and the transactions thereunder (including the procurement of the Company to issue Consideration Shares) and (ii) the refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate.

Yours faithfully,
Independent Board Committee
Wang Wei-Lin **Yu Kam Kee Lawrence** **(BBS, MBE, JP)** **Shan Li**
Independent non-executive Directors

The following is the full text of a letter of advice from Veda Capital to the Independent Board Committee, the Independent Shareholders for SPA and the Independent Shareholders for New Issue Mandate in relation to the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA), the Skyrise SPA and the proposed refreshment of Existing Issue Mandate which has been prepared for the purpose of inclusion in this circular.

VEDA | CAPITAL
智 略 資 本

Veda Capital Limited
Suite 3214, 32/F
COSCO Tower
183 Queen's Road Central
Hong Kong

15 April 2011

To the Independent Board Committee, the Independent Shareholders for SPA and the Independent Shareholders for New Issue Mandate

Dear Sirs,

(I) CONNECTED AND DISCLOSEABLE TRANSACTIONS - ACQUISITION OF 65% OF THE ISSUED SHARE CAPITAL OF CMMB INTERNATIONAL (II) PROPOSED GRANT OF SPECIFIC MANDATE; AND (III) PROPOSED REFRESHMENT OF EXISTING ISSUE MANDATE

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee, the Independent Shareholders for SPA (as defined hereafter) and the Independent Shareholders for New Issue Mandate (as defined hereafter) in respect of the fairness and the reasonableness of the Chi Capital SPA (as amended by Supplemental Chi Capital SPA), Skyrise SPA and the refreshment of Existing Issue Mandate (as the case maybe), details of which are set out in the circular to the Shareholders dated 15 April 2011 (the "**Circular**"), of which this letter forms part. Terms used in this letter have the same meanings as defined in the Circular unless the context requires otherwise.

On 24 December 2010, the Company has entered into the Chi Capital SPA and the Skyrise SPA with Chi Capital and Skyrise, respectively, pursuant to which the Company as the purchaser has conditionally agreed to purchase, and each of Chi Capital and Skyrise as the sellers have conditionally agreed to sell, 51% and 49% interest in CMMB International respectively. In view that allowing Chi Capital to remain as a direct and substantial shareholder of CMMB International will provide more incentive for Chi Capital to bring in financial and development assistance to CMMB International when required, including but not limited to the provision of further capital and introduction in third party investors or external experts, on 16 February 2011, the Company has entered into the Supplemental Chi Capital SPA with Chi Capital to amend certain terms of the Chi Capital SPA. In particular, to reduce the percentage interest of CMMB International to be acquired from Chi Capital from 51% to 16%. CMMB International holds the international development and licensing rights of CMMB technology granted by TiMi Technologies for the commercial development and exploitation of CMMB technology outside of the PRC.

Chi Capital is wholly-owned by Mr. Wong Chau Chi, the chief executive officer, an executive Director of the Company and the chairman of the Board, and is holding 139,820,000 Shares as at the Latest Practicable Date. As such, Chi Capital is a connected person of the Company under the Listing Rules. Skyrise and its ultimate beneficial owner are Independent Third Parties, but as Skyrise is a substantial shareholder of CMMB International and CMMB International will become the Company's subsidiary upon completion of the Chi Capital Acquisition and the Skyrise Acquisition, the Skyrise Acquisition thereunder is treated as a connected transaction for the Company under Rule 14A.13(1)(b) of the Listing Rules.

Pursuant to Rules 14A.25 and 14A.26 of the Listing Rules, the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) will be aggregated with the transactions contemplated under the Skyrise SPA. When aggregated, each of the applicable percentage ratios (other than the profits ratio) under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA is more than 5% and the total consideration is more than HK$10,000,000 in monetary value. Accordingly, the transactions contemplated under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA are subject to the reporting, announcement requirement and approval from Shareholders other than Mr. Wong Chau Chi and his associates (the "**Independent Shareholders for SPA**") under Chapter 14A of the Listing Rules.

In addition, the Company proposes to seek a refreshment of the Existing Issue Mandate by way of grant of the New Issue Mandate at the EGM. As the proposed refreshment of the Existing Issue Mandate is being made prior to the Company's next annual general meeting, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing Issue Mandate will be subject to approval from Shareholders other than Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates (the "**Independent Shareholders for New Issue Mandate**") at the EGM,

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders for SPA and the Independent Shareholders for New Issue Mandate as to (i) whether the terms of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and Skyrise SPA are fair and reasonable so far as the Independent Shareholders for SPA are concerned and in the interests of the Company and the Independent Shareholders for SPA as a whole; (ii) whether the refreshment of Existing Issue Mandate is fair and reasonable so far as the Independent Shareholders for New Issue Mandate are concerned and in the interests of the Company and the Independent Shareholders for New Issue Mandate as a whole; and (iii) how the Independent Shareholders for SPA and the Independent Shareholders for New Issue Mandate should vote in respect of the relevant resolutions to approve the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA), Skyrise SPA and the refreshment of the Existing Issue Mandate at the EGM.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon the accuracy of the information and representations contained in the Circular and information provided to us by the Company, the Directors and the management. We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the date of the EGM. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due and careful enquiry and were based on honestly-held opinions.

We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and management of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation to the Independent Board Committee, the Independent Shareholders for SPA and the Independent Shareholders for New Issue Mandate in respect of the fairness and reasonableness of the Chi Capital SPA (as amended by Supplemental Chi Capital SPA), Skyrise SPA and the refreshment of the Existing Issue Mandate, we have taken into consideration the following factors and reasons:

A. CHI CAPITAL SPA AND SKYRISE SPA

1. Information on Chi Capital, Skyrise and CMMB International

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

Skyrise is a company incorporated in Hong Kong with limited liability and is wholly owned by Mr. Wang Wei. The principal business activity of Skyrise is investment holding. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Skyrise and its ultimate beneficial owner are Independent Third Parties.

CMMB International was established in Hong Kong with limited liability and is owned as to 51% and 49% by each of Chi Capital and Skyrise respectively immediately prior to the signing of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA. CMMB International has entered into a technology licensing agreement (the "**Licensing Agreement**") with

TiMi Technologies on 27 July 2010, which is granted on a perpetual basis subject to review every three years to ensure fulfillment of certain conditions. As noted from the Board Letter, pursuant to the Licensing Agreement, TiMi Technologies as the licensor has granted CMMB International as the licensee the development and licensing rights of CMMB technology (STiMi) outside of the PRC. CMMB International is primarily engaged in the development and expansion of the coverage of CMMB technology outside of the PRC.

The Licensing Agreement provides CMMB International with all uses necessary and incidental to the manufacture, implementation and operation of CMMB broadcast network systems, equipment and devices and the provision of services in relation to each of the foregoing (including, without limitation, consultancy services, development and integration services, maintenance and support services and certification services), the manufacture or procurement of CMMB network equipment, devices and components and other items incorporating patents, software, documentation, know-how and other materials, and TiMi Technologies' improvements in areas outside of the PRC.

As set out in the Board Letter, CMMB is a digital broadcasting technology that can be used for delivering mobile Internet data, TV and video. It is a technology developed in the PRC. Based on the Orthogonal Frequency Division Multiple Access (OFDMA), the same core technology used in 3G, Wimax, and 4G, CMMB is the digital broadcasting technology for the 21st century. CMMB differs from the conventional mobile data network such as 3G cellular systems, which adopts a two way, one-to-one (unicast) data delivery architecture, in that it adopts a one way, one-to-many broadcasting (multicasting) delivery of data. Such technology tremendously increases spectrum efficiency as the same digital content can be transmitted to an unlimited number of receivers on minimal spectrum resources. It is ideal for broadcasting of digital content which has wide interest such as live television programs.

All consumers with electronic devices which can receive CMMB signals such as handsets, laptops, MP4, or dongles can enjoy the CMMB service. It is a technology that complements the current conventional mobile network technologies such as 3G, WiMax, or even LTE, which are based on the unicast architecture (i.e. one-to-one phone line) and cannot accommodate the rapidly growing traffic flow.

Also set out in the Board Letter, the CMMB technology is ready for immediate deployment in markets that use an 8 MegaHertz (MHz) wide channel for their radio spectrum allocations for mobile video services. This includes much of Asia and the Middle East. The Company is currently working with TiMi Technologies and Telepath for the creation of a 6 MHz version of the CMMB chipsets to facilitate the deployment of CMMB technology in nations such as the United States and Canada and much of the Americas, where 6 MHz TV channels are the standard. This development is expected to result in market ready solutions within 2011.

Further information of CMMB technology has been set out under the section headed "D. General information on CMMB".

For the financial period from 2 December 2009 (date of incorporation) to 31 December 2010, the audit financial information of CMMB International is as follows:

	For the financial period from 2 December 2009 (date of incorporation) to 31 December 2010 *(HK$)*
Turnover	Nil
Net loss before taxation and extraordinary items	450
Net loss after taxation and extraordinary items	450

	As at 31 December 2010 *(HK$)*
Net assets	550

As advised by the Company, no turnover was recorded as CMMB International has not commenced operation since incorporation up to 31 December 2010.

2. **Background and financial information of the Group**

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

(i) ***Financial year ended 31 December 2009***

As noted from the annual report 2009 of the Company ("**AR 2009**") for the year ended 31 December 2009, the Group recorded revenue of approximately US$4.61 million (equivalent to approximately HK$35.96 million under the exchange rate of US$1.0 to HK$7.80), representing a reduction of approximately 87.86% from that for the year ended 31 December 2008 of approximately US$37.95 million (equivalent to approximately HK$296.60 million under the exchange rate of US$1.0 to HK$7.80). As set out in AR 2009, the drop in revenue was mainly due to suspension of certain level of operation in a major subsidiary during the year and discontinuation of manufacturing, assembling and trading of flexible printed circuit boards solutions. The Group reported a loss of approximately US$43.63 million (equivalent to approximately HK$340.31 million under the exchange rate of US$1.0 to HK$7.80) for the year ended 31 December 2009, representing a decrease in loss of approximately 41.90% from that for the year ended 31 December 2008 of approximately US$75.10 million (equivalent to approximately HK$585.78 million under the exchange rate of US$1.0 to HK$7.80). As set out in AR 2009, the decrease in loss was mainly attributable to the decrease in distribution cost, impairment loss on trade and receivable and finance cost.

We noted from AR 2009 that the auditors have expressed a qualified opinion arising from limitation of audit scope as follows:

"In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2009 and, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient information concerning the matters as described in the basis of qualified opinion paragraphs, the consolidated financial statements give a true and fair view of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance."

Details of the "Basis for qualified opinion" have been set out in the independent auditor's report in AR 2009. We also noted from AR 2009, the auditors have expressed a material uncertainty opinion because the Group incurred a loss of approximately US$43.63 million (equivalent to approximately HK$340.31 million under the exchange rate of US$1.0 to HK$7.80) during the year ended 31 December 2009 and as at that date, the Group's liabilities exceeded its assets by approximately US$8.34 million (equivalent to approximately HK$65.05 million under the exchange rate of US$1.0 to HK$7.80). Also set out in the independent auditor's report in AR 2009, The Group has been implementing measures to improve its financial position, certain of which have not yet been completed at that time. The Group's ability to continue as a going concern is dependent on the successful implementation of those measures.

(ii) ***Six months ended 30 June 2010***

As noted from the interim report 2010 ("**IR 2010**") for six months ended 30 June 2010, the Group recorded revenue of approximately US$5.90 million (equivalent to approximately HK$46.02 million under the exchange rate of US$1.0 to HK$7.80), representing an increase of approximately 45 times from that for six months ended 30 June 2009 of approximately US$0.13 million (equivalent to approximately HK$1.01 million under the exchange rate of US$1.0 to HK$7.80). As advised by the Company, the improvement in revenue was mainly due to its emergence from restructuring and gradual return to normal production. The Group reported loss of approximately US$7.09 million (equivalent to approximately HK$55.30 million under the exchange rate of US$1.0 to HK$7.80) for six months ended 30 June 2010, representing a decrease in loss of approximately 59.23% from that for six months ended 30 June 2009 of approximately a loss of US$17.39 million (equivalent to approximately HK$135.64 million under the exchange rate of US$1.0 to HK$7.80). As advised by the Company, the decrease in loss was mainly due to the Group recorded loss from discontinued operations of approximately US$8.00 million for the six months period ended 30 June 2008 whilst the Group did not record loss from discontinued operation for the corresponding period in 2009.

We noted from IR 2010 that the auditors have made a qualified conclusion arising from limitation of audit scope as follows:

"Except for the effect of such adjustments, if any, to the loss for the six months ended 30 June 2009, which might have been determined to be necessary had we been able to obtain sufficient information concerning the matters as described in the basis of qualified conclusion paragraphs, based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34."

Details of the "Basis for qualified conclusion" have been set out in the report on review of interim financial information in IR 2010. We also noted from IR 2010, the auditors have expressed a material uncertainty opinion because the Group incurred a loss of US$7,091,752 during the six months ended 30 June 2010 and as of that date, the Group's liabilities exceeded its assets by US$5,110,721. Also set out in the report on review of interim financial information in IR 2010, the Group has identified measures to improve its financial position, certain of which have not yet been implemented. The Group's ability to continue as a going concern is dependent on the successful implementation of these measures. As advised by the Company, the measures included normalizing production, cutting overall costs, disposing unwanted assets and diversifying into horizontal operating businesses such as multimedia services.

3. **Reasons for the Chi Capital SPA and the Skyrise SPA**

CMMB is China's self-developed mobile multimedia technology. It is developed by TiMi Technologies under the Academy of Broadcasting Science (廣播科學研究院) under SARFT. CMMB technology is based on the architecture of STiMi, of which Dr. Liu Hui, a Director and the Vice-Chairman of the Company, is a principal founder. CMMB technology, as the mobile TV standard in the PRC, has spurred the world's largest development of the mobile TV with diverse commercial services operated by CBC, the sole and official operator in the PRC.

As set out in the Board Letter, mobile multimedia is a global trend and a new consumer preference. As evidenced by its success in the PRC, the Board believes CMMB technology has great potential in the international markets. With surging numbers of mobile users and television viewers around the world, compounded with the surging mobile internet traffic due to video and data downloads, the demand for a mobile multimedia solution has never been greater. It is estimated that compared to 2009 figures, mobile data traffic will increase by as much as 39 times by 2014, which conventional mobile telecom networks will not be able to accommodate. The Board considers that China's self-developed CMMB mobile multimedia technology is currently the most mature technology that countries around the world could adopt.

With the acquisition of CMMB International, partnerships with TiMi Technologies and Motorola, Inc., and leveraging on its China experience, the Board believes the Company has already built the platform with unparalleled abilities to develop and promote CMMB outside of the PRC. In particular, through partnerships, the Company will develop the new generation hybrid CMMB—broadband technologies that will integrate with networks in respective countries to deliver converged mobile video and internet data services with virtually unlimited bandwidth. Dr. Liu Hui, a principal founder of the CMMB technology, and a Director and the Vice-Chairman of the Company, will lead the efforts. The Company has already commenced discussions with major telecommunication and media operators outside of the PRC such as the United States of America and Indonesia for joint CMMB development and is planning to launch technical and commercial trials in such countries in the near future.

The Directors consider the terms of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Sky Rise SPA are fair and reasonable and in the interest of the Shareholders as a whole.

As noted from IR 2010, the Company has been pursuing opportunities arising from China's new policy in support of 3-way network convergence (television, telecom and internet) and, in particular, has been focused on developing mobile television and interactive multimedia businesses based on the CMMB standard. The Company's goal is to develop into a mobile TV multimedia company, providing CMMB-based services, solutions, and innovations in China and in other markets around the world.

As noted from the business valuation conducted by Roma Appraisals Limited in respect of the 100% equity interest in CMMB International (the "**Valuation Report**"), CMMB is one of the necessary technologies for developing the businesses which provides platform for mobile video and data broadcasting delivered in a faster and more efficient way. Under the world technology trend, the industry growth is due to the influx of next-generation smart mobile devices and internet-based media delivery and social networking services, which propel the demand for high quality mobile video and fast multimedia data downloading. Industries are required to possess the international development and licensing rights of CMMB technology for commercial development and exploitation outside of China.

We noted from the Board Letter that, CMMB International has secured an exclusive licence from TiMi Technologies to develop CMMB technology outside the PRC. Under the Licensing Agreement between CMMB International and TiMi Technologies, CMMB International was given a license by TiMi Technologies to utilize a series of intellectual property rights related to CMMB technologies registered by TiMi Technologies. In view of the superior functionalities of CMMB technology, the Directors are confident that the exclusive licence held by CMMB International to develop the same outside the PRC market will enable CMMB International to compete favourably in the global market.

We also noted from the Board Letter that, as the Company plans to launch CMMB outside the PRC, it will need to develop market specific solutions that require modification of the basic Chinese standard, and requires the cooperation of the ultimate owner of the CMMB technology, namely Timi Technologies. CMMB International has entered into the Licensing Agreement with Timi Technology of the Academy of Broadcasting Science under SARFT, the official patent holder and developer of CMMB, to develop and promote the technology worldwide. On the other hand, the Company's cooperation with Motorola provides the Company with turnkey support for network development and systems integration. In addition, the evolution of the relationship has led to a renewed alignment with Motorola Mobility in support of the creation of innovative CMMB enabled handsets and tablet mobile computing and multimedia devices.

We noted from the Valuation Report that the penetration rate (defined as the percentage of internet users out of the total population) in Indonesia from 2007 to 2009 were approximately 8.90%, 10.50% and 12.50% respectively and as stated in the Valuation Report, the ratio is not huge as compared to the developed countries, but within the developed countries in Asia, the rate is reasonable which accounts for a substantial amount of internet users for about 30 million in 2009 due to its 4th largest population size in the world and it is estimated that there is an increasing trend of internet users in the next couple of decades.

We also noted from the website of Internet World Stats (www.internetworldstats.com), internet users have grew by approximately 444.8% in the world, by approximately 273.3% in the America and by approximately 1,400% in Indonesia from 2000 to 2010.

Having considered (i) CMMB International which has entered into the Licensing Agreement would provide the Company with necessary know-how to promote and expand CMMB operations outside the PRC and the exclusivity granted under the Licensing Agreement will enable CMMB International to compete favorably in the global market; (ii) the partnership arrangement with Timi Technologies and Motorola which would benefit the worldwide development of the CMMB technology; (iii) the Chi Capital Acquisition and the Skyrise Acquisition are align with the business strategy as set out in IR 2010; (iv) the growth potential of CMMB International as supported by the increasing trend of the internet users in the world in particular in America and Indonesia; and (v) the Chi Capital Acquisition and the Skyrise Acquisition would enhance the income stream of the Company, we agree with the view of the Directors that Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA are in the interests of the Company and the Independent Shareholders for SPA as a whole.

4. **Consideration**

As set out in the Board Letter, the consideration for the Chi Capital Acquisition and the Skyrise Capital Acquisition is valued at approximately HK$12.84 million and approximately HK$39.31 million, respectively, amounting to approximately HK$52.14 million. The price was determined based on arm's length negotiation between the parties thereto taking into account various factors, including, the Directors' assessment of the business potential of CMMB, its technological uniqueness, functionalities and competitive edge, readiness for commercial deployment and application, the existence of ecosystem and market, and its relevancy and strategic value to the Company transition plan from a manufacturer of PCB to a hi-tech developer and service provider in the mobile telecommunications and information technology industry. In view of the promising prospects of CMMB as set out in the Board Letter, the Directors believe the business potential for CMMB is immense and the value of the equity interests in CMMB International is way beyond its current price. However, considering that global development of CMMB is still in its initial stage with different political, economical, and technological risks, the total consideration for the acquisition of the 65% interest in CMMB International was commercially agreed with Chi Capital and Sky Rise at the current level. The original purchase cost of the 16% interest in CMMB International by Chi Capital is HK$157 and the original purchase cost of the 49% interest in CMMB International by Skyrise is HK$409.

We have reviewed the Valuation Report and observed that the valuer has adopted the market-based approach in arriving the market value of the 100% equity in CMMB International and under such valuation method, the market value of 100% equity interest in CMMB International as at 31 December 2010 was arrived at HK$82 million (the "**Valuation**").

As discussed with the valuer and set out in the Valuation Report, in the process of valuing CMMB International, the valuer has taken into account of the uniqueness of its operation and the CMMB-based technology industry it is participating. The income-based approach is not adopted because a lot of assumptions will have to be made and the valuation could be largely influenced by any inappropriate assumptions made. The asset-based approach was also not adopted because it cannot completely reflect the market value of the Business Enterprise. The valuer has therefore considered the adoption of market-based approach in arriving at the market value of CMMB International is the most appropriate approach for assessing the market value of CMMB International.

As set out in the Valuation Report, under the market-based approach, the valuer first obtained information regarding similar mobile TV transactions and the corresponding considerations in the market. In the process of selection, the valuer has considered whether the transactions have the comparable geographical segmentation and adoption of the mobile TV broadcasting standard as CMMB International is participating. The sources of selection include the Wireless Industry News portal which is an independent website broadcasting updated news on the wireless industry, Questex Asia which is a market-leading publisher of magazine, newsletters and websites covering worldwide telecom markets, and the Middle East North Africa Financial Network, Inc. which is a leading online provider of researches on the latest technologies. All of these sources are publicly available. The valuer has considered four transactions (the "**Potential Comparables**") that might be comparables to CMMB International in the beginning stage, however, among the four Potential Comparables, one Potential Comparable was not adopted because the acquisition implicitly involved the purchase of client base which could not be separated from the transaction. Another Potential Comparable was also not adopted as the acquisition price has not been disclosed by the acquirer and vendor. Hence, the valuer only considered the remaining two Potential Comparables to be representative and relevant in arriving at the market value of CMMB International. The details of the adopted transactions (the "**Valuation Comparables**"), which are information available publicly from Questex Asia and the Middle East North Africa Financial Network, as extracted from the Valuation Report are as follows:

Transaction Date	**Acquirer**	**Country**	**Mobile TV Standard**	**Consideration** *(HK$)*
30 June 2010	China Mobile Hong Kong	Hong Kong	CMMB	175,000,000
25 October 2009	Emirates Mobile Television Corporation	The United Arab Emirates	DVB-H	35,873,400

Source: (i) http://www.telecomasia.net; and (ii) http://www.menafn.com

As noted from the Valuation Report, China Mobile Hong Kong has acquired a 15-year license of the territory's mobile TV spectrum in Hong Kong offered by Office of the Telecommunications Authority (OFTA) of the Hong Kong Special Administration Region. Emirates Mobile Television Corporation has acquired a license to provide mobile TV broadcasting services for 10 years granted by the Telecommunication Regulatory Authority (TRA). In these two Valuation Comparables, the mobile TV broadcasting licences have been acquired by the acquirers. Similarly, the CMMB International also owns the licensing rights of CMMB technology for the mobile TV broadcasting operations. Hence, the valuer considered the Valuation Comparables are representative and relevant in arriving the market value of CMMB International.

As further noted from the Valuation Report, CMMB technology is a more advanced broadcasting technology as compared to DVB-H standard since CMMB has a higher spectral efficiency, the features of statistical multiplexing and fast synchronization. Moreover, according to a publication "Selection of a Technology Standard for Mobile Broadcast Networks" from a French transmitter company TDF, it was said that CMMB technology would be the only short-term alternative to DVB-H since it has a better spectral efficiency than DVB-H as well as the hybrid capability for satellite and terrestrial use. Therefore, a premium has been applied in the consideration in the second adopted transaction to show the technological advance of CMMB technology. Regarding the geographic segmentation, based on the statistics provided by the Information Services Department of Hong Kong Special Administrative Region Government, the mobile penetration rate in Hong Kong in 2010 was about 184%. Meanwhile, according to Wireless Federation, a wireless industry research conglomerate, it was estimated that the mobile penetration rate in the United Arab Emirates in 2010 would reach 200%, while that in Indonesia would be about 62% due to relatively less advanced network infrastructure in Indonesia. Therefore, discounts have been applied in the considerations of both transactions to show the better mobile developments and infrastructure in Hong Kong and the United Arab Emirates compared to Indonesia. Since the Company had a more concrete development plan of CMMB technology in Indonesia. Based on the information provided by the Company, the number of operating years of the license held by CMMB International is 10 years. Therefore, a discount has been applied to the consideration of the first adopted transaction since the license owned by China Mobile Hong Kong can operate for 15 years. Afterwards, the valuer applied the average adjusted consideration to estimate the market value of CMMB international as at 31 December 2010.

Upon reviewing and discussing with the valuer about the details of the Valuation Comparables as set out in the Valuation Report and taking into account (i) the Valuation Comparables have been involving in the similar mobile TV transactions within two years from the Chi Capital SPA and the Skyrise SPA; and (ii) the opinion of the valuer who has considered the adoption of market-based approach in arriving at the market value of CMMB International is the most appropriate approach for assessing the market value of CMMB International, and pursuant to Rule 13.80(2) under the Listing Rules, there is no reason for us to believe any of the information in the valuation report in respect of the Valuation is not true or omits a material fact, we are of the view that the Valuation are normal in nature without any unusual assumption and the basis thereof is fair and reasonable. As such, we consider the Valuation is a fair reference for Independent Shareholders for SPA to assess the fairness and reasonableness of the consideration for the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and Skyrise SPA.

Based on the consideration under Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) of approximately HK$12.84 million, the consideration for 100% equity interest in CMMB International under Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) is approximately HK$80.22 million, representing a discount of approximately 2.17% to the Valuation. Based on the consideration under the Skyrise SPA of approximately HK$39.31 million, the consideration for 100% equity interest in CMMB International under Skyrise SPA is approximately HK$80.22 million, representing a discount of approximately 2.17% to the Valuation. In light of the above, we consider the considerations under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA are fair and reasonable so far as the Independent Shareholders for SPA are concerned.

5. **Consideration Shares**

The considerations of approximately HK$12.84 million and approximately HK$39.31 million under the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA respectively will be paid by way of the Company issuing the Consideration Shares at the issue price of HK$0.14 per Consideration Share (the "**Issue Price**").

The Issue Price represents:

(i) a premium of approximately 89.19% to the closing price of HK$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 81.82% to the average closing price of HK$0.077 per Share as quoted on the Stock Exchange for last five consecutive trading days up to and including the Last Trading Day; and

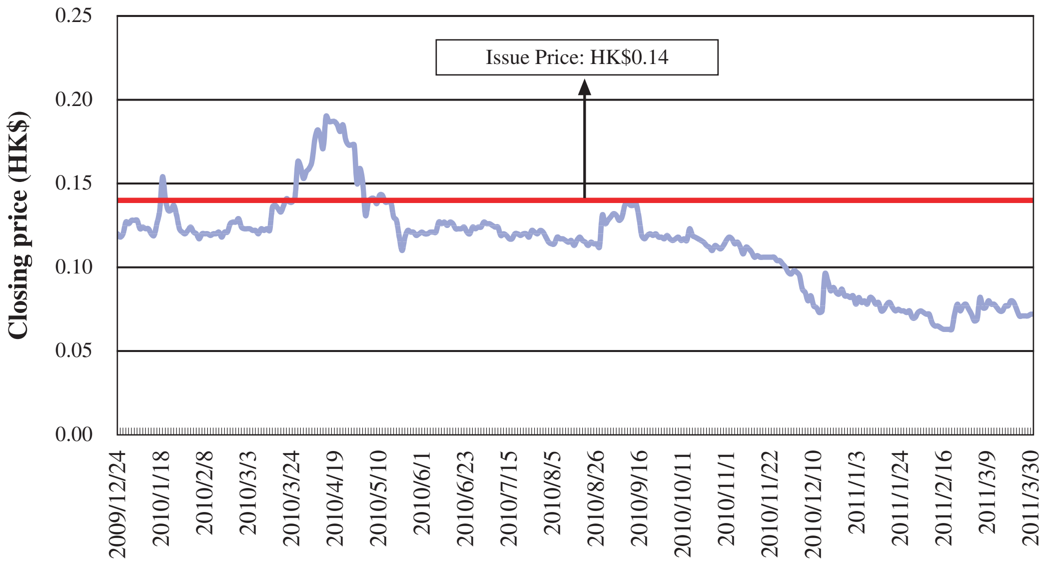
(iii) a premium of approximately 68.67% to the average closing price of HK$0.083 per Share as quoted on the Stock Exchange for last ten consecutive trading days up to and including the Last Trading Day; and

(iv) a premium of approximately 94.44% to the closing price of HK$0.072 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

As advised by the Company, the Issue Price was determined after arm's length negotiations between the parties to the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and to the Skyrise SPA after taking into consideration of the prevailing Share price at the time of the Chi Capital SPA and the Skyrise SPA and the Directors consider that the Issue Price is fair and reasonable.

(i) ***Historical Price Performance***

The graph below illustrates the closing price levels of the Shares during the period from 24 December 2009 (being the 12 calendar months period prior to the date of the Chi Capital SPA and the Skyrise SPA) up to the Latest Practicable Date (the "**Review Period**").



Source: website of the Stock Exchange (www.hkex.com.hk)

During the Review Period, the closing price of the Shares recorded lowest closing price of HK$0.063 per Share recorded on 28 February 2011 and highest closing price of HK$0.19 per Share recorded on 16 April 2010. The Issue Price represents a premium of approximately 122.22% over such lowest closing price of the Share and a discount of approximately 26.32% to such highest closing price of the Share.

(ii) ***Comparable Analyses***

In order to assess the fairness and reasonableness of the terms of the Consideration Shares, to the best of our knowledge, we have looked into companies listed on the Main Board or GEM of the Stock Exchange which have made announcements for acquisition of assets by issuing consideration shares with value of or not more than HK$100 million (the "**Share Comparables**") from 24 September 2010 up to and including 24 December 2010, being the date of the Chi Capital SPA and the Skyrise SPA, for reference. As the terms of the Share Comparables are determined under similar market conditions and sentiments as the Consideration Shares and the size of the value of the consideration shares of the Share Comparables are limited to be HK$100 million or less, we believe that the Share Comparables may reflect the recent trend of the issue of consideration shares in the market and consider the Share Comparables are fair and representative samples.

Share Comparable (stock code)	**Date of announcement 2010**	**Value of the consideration shares**	**Approximate premium/ (discount) of issue price to the closing price prior to the release of the announcement**	**Approximate premium/ (discount) of issue price to the average closing price for the last five consecutive trading days prior to the release of the announcement**
		HK$' million	*%*	*%*
Soluteck Holdings Limited (8111)	14-Dec-10	66.5	-5.66	-3.1
China Environmental Resources Group Limited (1130)	4-Dec-10	47	1.59	0
Sino Dragon New Energy Holdings Limited (395)	4-Nov-10	100	-15.09	-9.09
China Argotech Holdings Limited (1073)	29-Oct-10	68	29.9	25.9
TLT Lottotainment Group Limited (8022)	7-Oct-10	19.50	-18.18	-18.18
Amax Holdings Limited (959)	30-Sep-10	34.00	1st tranche: 0.91 2nd tranche: -14.16	1st tranche: 0 2nd tranche: -14.93

Share Comparable (stock code)	Date of announcement 2010	Value of the consideration shares	Approximate premium/ (discount) of issue price to the closing price prior to the release of the announcement	Approximate premium/ (discount) of issue price to the average closing price for the last five consecutive trading days prior to the release of the announcement
		HK$' million	*%*	*%*
Maximum			**29.90**	**25.90**
Minimum			**-18.18**	**-18.18**
Mean			**-2.96**	**-2.77**
Company			**89.19**	**82.77**

Source: website of the Stock Exchange (www.hkex.com.hk)

Based on the above illustration, the discount/premium represented by the issue price per consideration share issued by respective Share Comparables to their respective closing prices on the last trading day before the suspension of trading in the shares pending for the release of the relevant announcements ranged from a discount of approximately 18.18% to a premium of approximately 29.90% and with a mean of discount of approximately 2.96%. Upon comparison, we note that the premium represented by the Issue Price to the closing price on the Last Trading Day falls above the relevant range of the Share Comparables and such premium represents a favorable term to the Company as compared to the range of the Share Comparables.

In addition, the discount/premium represented by the issue price per consideration share issued by respective Share Comparables to their respective 5-day-average closing prices up to the last trading day before the suspension of trading in the shares pending for the release of the relevant announcements ranged from a discount of approximately 18.18% to a premium of approximately 25.90% and with a mean of discount of approximately 2.77%. Upon comparison, we note that the premium of the Issue Price to the 5-day-average closing price up to the Last Trading Day falls above the relevant range of the Share Comparables and such premium represents a favorable term to the Company as compared to the range of the Share Comparables.

In light of the above, we consider the Issue Price is fair and reasonable and in the interest of the Company and the Independent Shareholders for SPA as a whole.

6. **Financial effect of the Acquisition**

(i) ***Net asset value***

As set out in the IR 2010, the unaudited net liability value of the Group as at 30 June 2010 was approximately US$5.11 million (equivalent to approximately HK$39.86 million under the exchange rate of US$1.0 to HK$7.80). As advised by the Company, it is expected that there would be no material effect to the net liabilities of the Company upon completion of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA.

(ii) ***Earnings***

We noted that CMMB International recorded a net loss for the period from its incorporation on 2 December 2009 to 31 December 2010, however, taking into consideration that CMMB International has not commenced operation since incorporation up to 31 December 2010, the potential of CMMB technology in the worldwide markets as set out under the section headed "1. Information on Chi Capital, Skyrise and CMMB International" and the section headed "3. Reasons for the Chi Capital SPA and the Skyrise SPA" and the exclusivity under the Licensing Agreement, we consider that it is a fair expectation that the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA will have a positive impact on the revenue of the Group in future.

7. **Potential dilution effect to the public Shareholders**

As advised by the Company, the existing shareholding of the Independent Shareholders for SPA will be decreased from approximately 95.93% to approximately 86.56% upon following the allotment and issue of the Consideration Shares.

Having considered

(i) CMMB International which has entered into the Licensing Agreement would provide the Company with necessary know-how to promote and expand CMMB operations outside the PRC and the exclusivity granted under the Licensing Agreement will enable CMMB International to compete favorably in the global market;

(ii) the partnership arrangement with TiMi Technologies and Motorola which would benefit the worldwide development of the CMMB technology;

(iii) the Chi Capital Acquisition and the Skyrise Acquisition are align with the business strategy as set out in IR 2010;

(iv) the growth potential of CMMB International as supported by the increasing trend of the internet users in the world in particular in America and Indonesia;

(v) the Chi Capital Acquisition and the Skyrise Acquisition would enhance the income stream of the Company;

(vi) the consideration for 100% equity interest in CMMB International under Chi Capital SPA represented a discount to the Valuation;

(vii) the consideration for 100% equity interest in CMMB International under Skyrise SPA represented a discount to the Valuation;

(viii) the premium represented by the Issue Price to the closing price on the Last Trading Day falls within the relevant range of the Share Comparables and such premium represents a favorable term to the Company as compared to the mean of the Share Comparables;

(ix) the premium represented by the Issue Price to the 5-day-average closing price up to the Last Trading Day falls within the relevant range of the Share Comparables and such premium represents a favorable term to the Company as compared to the mean of the Share Comparables; and

(x) by satisfying the consideration by issue of Consideration Shares, the Group can preserve its cash position,

we consider the dilution effect is acceptable so far as the Independent Shareholders for SPA are concerned.

8. Recommendation

Having considered the above-mentioned principal factors and reasons, we considered (i) the terms of the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders for SPA are concerned; and (ii) the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA are in the interests of the Company and the Independent Shareholders for SPA as a whole. We would therefore recommend the Independent Shareholders for SPA and advise the Independent Board Committee to recommend the Independent Shareholders for SPA to vote in favor of the resolution(s) to approve Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the Skyrise SPA to be proposed at the EGM.

B. PROPOSED REFRESHMENT OF THE EXISTING ISSUE MANDATE

1. Reasons for the refreshment of the Existing Issue Mandate

At the annual general meeting of the Company held on 30 June 2010, the Directors were granted (a) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company then in issue; (b) a general unconditional mandate to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company then in issue; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to in (b) above.

As announced by the Company on 23 November 2010, the Company has entered into a placing agreement (the "**Placing**") to issue a total of 42,976,800 new Shares under the Existing Issue Mandate (the "**Placing Announcement**"). As advised by the Company, the net proceeds of approximately HK$4.6 million intended to be used for general working capital of the Group. As set out in the Placing Announcement, before the date of thereof, the Company has issued and allotted an aggregated of 530,047,200 new Shares by utilizing the Existing Issue Mandate and net proceeds of approximately HK$66.25 million therefrom has been used for an acquisition. As at the Latest Practicable Date, the Existing Issue Mandate had been fully utilized.

The Board considers that the refreshment of the Existing Issue Mandate will provide flexibility for the Company to raise further funds for its future business developments and/or any investment opportunities identified by the Company. Accordingly, the Directors are of the view that the refreshment of the Existing Issue Mandate is in the interests of the Company and the Shareholders as a whole and proposes to seek a refreshment of the Existing Issue Mandate by way of the grant of the New Issue Mandate to allow the Directors to allot, issue and deal with new shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM. As at the Latest Practicable Date, the Company has not yet identified any specific investment targets or projects, no negotiation in connection thereto is currently underway and no legally binding agreement which is discloseable in this regard has been signed

Based on 3,438,144,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased by the Company prior to the EGM, subject to the passing of the relevant ordinary resolution to approve the refreshment of the Existing Issue Mandate at the EGM, the Directors will be authorised to allot, issue and deal with up to a limit of 687,628,800 new Shares under the New Issue Mandate.

As noted from the IR 2010 of the Company, the Group recorded bank balances and cash of approximately US$4.64 million (equivalently to approximately HK$36.19 million) and bank borrowings amounted to approximately US$23.62 million (equivalently to approximately HK$188.84 million) as at 30 June 2010.

Having considered that (i) the Existing Issue Mandate has been fully utilized; (ii) the liquidity position of the Group as at 30 June 2010; (iii) the New Issue Mandate would enhance the financial flexibility for the Group to raise funds for future investments and business development if necessary and hence to strengthen the capital base and financial position of the Company; and (iv) there is no certainty that existing cash and facility resources will be adequate for any appropriate investment that may be identified by the Company in the future, additional funding may still be needed in a timely manner when necessary for financing future investments should suitable investment opportunities arise, we consider refreshment of the Existing Issue Mandate is fair and reasonable and is in the interests of the Company and the Independent Shareholders for New Issue Mandate as a whole.

2. **Other financing alternatives**

As advised by the Company, as debt financing may incur interest burden to the Group, equity financing such as issuance of new Shares for cash or equity swaps may be an appropriate mean to fund such investments and/or acquisitions and provide additional working capital for the future development and expansion of the Group, given the Group's financial position, capital structure, cost of funding and the then financial market condition. Other financing methods such as debt financing or internal cash resources to fund future business development of the Company shall be taken into consideration in appropriate circumstances.

We consider that the refreshment of the Existing Issue Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future development, including equity issuance. As such, we are of the view that the refreshment of the Existing Issue Mandate will be in the interests of the Company and the Independent Shareholders for New Issue Mandate as a whole.

3. **Potential dilution**

Set out below is a table showing the shareholdings of the Company as at the Latest Practicable Date and, for illustrative purpose, the potential dilution effect on the shareholdings upon full utilisation of the New Issue Mandate (assuming no Shares are issued or repurchased during the period between the Latest Practicable Date and the date of the EGM):

	As at the Latest Practicable Date		**Immediately upon full utilisation of New Issue Mandate**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
Wong Chau Chi *(Note 1)*	139,820,000	4.07	139,820,000	3.39
Shareholders upon full utilisation of New Issue Mandate	—	0.00	687,628,800	16.67
Independent Shareholders for New Issue Mandate	3,298,324,000	95.93	3,298,324,000	79.94
Total	3,438,144,000	100.00	4,125,772,800	100.00

Note:

1. Executive Director

As illustrated in the table above, the existing aggregate shareholding of the Independent Shareholders for New Issue Mandate will decrease from approximately 95.93% as at the Latest Practicable Date to approximately 79.94% upon full utilisation of the New Issue Mandate (assuming no Shares are issued or repurchased during the period between the Latest Practicable Date and the date of the EGM). In view that (i) the New Issue Mandate will provide an alternative to increase the amount of capital which may be raised under the New Issue Mandate; (ii) the New Issue Mandate will provide more options of financing to the Group for further development of its business as well as in other potential future investment and/or acquisitions as and when such opportunities arise; and (iii) the fact that the shareholdings of all Shareholders will be diluted proportionately to their respective shareholding upon any utilization of the New Issue Mandate, we consider such dilution or potential dilution to shareholdings of the Independent Shareholders for New Issue Mandate to be justifiable.

4. **Recommendation**

Having considered the factors and reasons as stated above, we are of the view that the refreshment of the Existing Issue Mandate is in the interests of the Company and the Independent Shareholders for New Issue Mandate as a whole, and is fair and reasonable. Accordingly, we recommend the Independent Shareholders for New Issue Mandate and advise the Independent Board Committee to recommend the Independent Shareholders for New Issue Mandate to vote in favour of the ordinary resolution in relation to the refreshment of the Existing Issue Mandate to be proposed at the EGM. Independent Shareholders for New Issue Mandate are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the New Issue Mandate is utilised.

Yours faithfully,
For and on behalf of
Veda Capital Limited

Hans Wong *Chairman*

Julisa Fong *Managing Director*

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

Directors and chief executive

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules were as follows:

Name of Directors / Chief Executive	Nature of Interest	Number and class of securities[1]	Approximate percentage of interest in such corporation
Wong Chau Chi	Interest of controlled corporation and beneficial owner [2]	L 458,800,000	13.34%
Yang Yi	Beneficial owner [3]	L 20,000,000	0.58%
Chou Tsan-Hsiung	Beneficial owner [4]	L 10,000,000	0.29%
Li Jun	Beneficial owner [5]	L 10,000,000	0.29%
Li Shan	Beneficial owner [6]	L 10,000,000	0.29%
Liu Hui	Beneficial owner [7]	L 10,000,000	0.29%
Wang Wei-Lin	Beneficial owner [8]	L 2,000,000	0.06%
Yu Kam Kee Lawrence	Beneficial owner [9]	L 2,000,000	0.06%

Notes:

1. The Letter "L" denotes the person's long position in such Shares.

2. Mr Wong Chau Chi, an executive Director and Chairman of the Board, is the beneficial owner of the entire issued share capital of Chi Capital which holds 139,820,000 Shares, and is interested in another 292,230,000 Shares which are to be issued to Chi Capital as consideration of the Chi Capital Acquisition. Mr Wong Chau Chi is also an executive director of Chi Capital. In addition, Mr Wong Chau Chi also held options in respect of a total of 26,750,000 shares in the Company as at the Latest Practicable Date.

3. Mr Yang Yi, a non-executive Director, held options in respect of a total of 20,000,000 shares in the Company as at the Latest Practicable Date.

4. Mr Chou Tsan-Hsiung, a non-executive Director, held options in respect of a total of 10,000,000 shares in the Company as at the Latest Practicable Date.

5. Dr Li Jun, a non-executive Director, held options in respect of a total of 10,000,000 shares in the Company as at the Latest Practicable Date.

6. Mr Li Shan, an independent non-executive Director, held options in respect of a total of 10,000,000 shares in the Company as at the Latest Practicable Date.

7. Dr Liu Hui, a non-executive Director, held options in respect of a total of 10,000,000 shares in the Company as at the Latest Practicable Date.

8. Mr Wang Wei-Lin, an independent non-executive Director, held options in respect of a total of 2,000,000 shares in the Company as at the Latest Practicable Date.

9. Mr Yu Kam Kee Lawrence, an independent non-executive Director, held options in respect of a total of 2,000,000 shares in the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

3. FURTHER INFORMATION CONCERNING DIRECTORS

(a) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had entered, or was proposing to enter, into any service contract with any member of the Group (excluding contracts expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation)).

(b) **Competing interests**

As at the Latest Practicable Date, none of the Directors or their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(c) **Directors interests in assets**

None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of or leased to any member of the Group or proposed to be so acquired, disposed of or leased since 31 December 2009, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.

(d) **Directors interests in contracts**

Other than the Chi Capital SPA and the Supplemental Chi Capital SPA, there is no other contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading prospects of the Company since 31 December 2009, the date to which the latest audited financial statements of the Company were made up.

5. QUALIFICATIONS OF EXPERTS

The following is the qualifications of the experts or professional advisers who have given opinion or advice contained in this circular:

Name	Qualifications
Veda Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) of the regulated activities under the SFO

6. CONSENTS OF EXPERTS

Veda Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

7. INTERESTS OF EXPERTS

As at the Latest Practicable Date, Veda Capital:

(a) does not have any shareholding in or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

(b) was not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, being the date to which the latest published audited accounts of the Company were made up.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any member of the Group.

9. GENERAL

(a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal office of the Company in Hong Kong is at 1701-1702, 17/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong.

(b) The Company's Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investors Services Limited, which is situated at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text for the purpose of interpretation.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at 1701-1702, 17/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong up to and including 29 April 2011:

(a) the articles of association of the Company;

(b) the annual report of the Company for the financial year ended 31 December 2009;

(c) the Chi Capital SPA and the Supplemental Chi Capital SPA;

(d) the Skyrise SPA;

(e) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 26 of this circular;

(f) the letter of advice from Veda Capital, the text of which is set out on pages 27 to 46 of this circular; and

(g) the written consent from Veda Capital referred in paragraph 6 of this appendix.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of CMMB Vision Holdings Limited (the "**Company**") will be held at President Room, The American Club, Floor 48, Exchange Square Two, Central, Hong Kong on 9 May 2011 at 3:00 p.m. for the following purpose:

As Special Business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

1. "**THAT:**

   (a) the Chi Capital SPA and the Supplemental Chi Capital SPA (copies of which are tabled at the EGM, marked "A" and initialed by the chairman of the EGM for identification purpose) and the connected transaction (as defined under the Listing Rules) contemplated thereunder, be and are hereby approved, ratified and confirmed;

   (b) any one Director and/or the company secretary of the Company be and are hereby authorised to perform all such acts, deeds and things and execute all documents as they consider necessary or expedient to effect and implement the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the connected transaction contemplated thereunder."

2. "**THAT:**

   (a) the Skyrise SPA (a copy of which is tabled at the EGM, marked "B" and initialed by the chairman of the EGM for identification purpose) and the connected transaction (as defined under the Listing Rules) contemplated thereunder, be and are hereby approved, ratified and confirmed;

   (b) any one Director and/or the company secretary of the Company be and are hereby authorised to perform all such acts, deeds and things and execute all documents as they consider necessary or expedient to effect and implement the Skyrise SPA and the connected transaction contemplated thereunder."

3. "**THAT** conditional upon the passing of ordinary resolutions 1 and 2, and the Listing Division of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, the Consideration Shares, the grant of a specific mandate for the allotment and issue of the Consideration Shares be and is hereby approved."

4. "**THAT:**

(a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with new shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall be in addition to any other authorization given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options including warrants to subscribe for shares, which may require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly, otherwise than pursuant to the following:

(i) a Rights Issue (as hereinafter defined);

(ii) any shares issued pursuant to the exercise of rights of subscription or conversion under the terms of any warrants or any debentures, bond warrants, notes issued by the Company or any securities which are convertible into Share;

(iii) any share options granted or exercised pursuant to any option scheme or, any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire Shares; and

(iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the memorandum and articles of association of the Company.

(d) for the purpose of this resolution:

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors.

"**Rights Issue**" means an offer of shares open for a period fixed by the Directors to shareholders of the Company on the register of members on a fixed record date in proportion to their then holdings of such new shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong)."

As at the date hereof, Chi Capital, which is wholly-owned by Mr. Wong Chau Chi, the chief executive officer, sole executive Director of the Company and the chairman of the Board, held 139,820,000 Shares. The following non-executive Directors also held Shares in the Company in their personal capacity: (1) Mr. Yang Yi held 20,000,000 Shares; (2) Mr. Chou Tsan-Hsiung held 10,000,000 Shares; (3) Dr. Li Jun held 10,000,000 Shares; and (4) Dr. Liu Hui held 10,000,000 Shares.

At the EGM, (a) Mr. Wong Chau Chi and his associates, including Chi Capital, are required to abstain from voting in relation to resolution 1 approving the Chi Capital SPA (as amended by the Supplemental Chi Capital SPA) and the transaction thereunder; and (b) Mr. Wong Chau Chi, Mr. Yang Yi, Mr. Chou Tsan-Hsiung, Dr. Li Jun and Dr. Liu Hui and their respective associates, are required to abstain from voting on the resolution approving the refreshment of the Existing Issue Mandate and the grant of the New Issue Mandate.

Save as disclosed above, no other Shareholders would be required to abstain from voting at the EGM pursuant to the Listing Rules and/or the articles of association of the Company.

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

Hong Kong, 15 April 2011

Notes:

1. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and, on poll, vote on his behalf. A proxy need not be a Shareholder of the Company.

2. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof if you so wish. In the event that you attend the EGM after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.

3. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney, must be deposited at the Computershare Hong Kong Investor Services Limited, the Company's Hong Kong Branch Share Registrar and Transfer Office, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at least 48 hours before the time appointed for holding the EGM or any adjournment thereof.

4. In the case of joint registered holders of any Shares, any one of such joint registered holders may vote at the EGM, either in person or by proxy, in respect of such shares as if he/she/it were solely entitled thereto; but if more than one of such joint registered holders be present at the EGM, either in person or by proxy, the vote of that one of them so present, either in person or by proxy, whose name stands first on the register of members in respect of such Shares shall be accepted to the exclusion of the votes of the other joint registered holder(s).

5. For the purposes of the EGM, the register of members of the Company will be closed from 5 May 2011 to 9 May 2011 (both days inclusive), during which no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with Computershare Hong Kong Investor Services Limited, the Company's Hong Kong Branch Share Registrar and Transfer Office, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m., 4 May 2011.

6. Unless otherwise specified in herein, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 15 April 2011.

As at the date of this notice, the executive Director of the Company is Mr. WONG Chau Chi; the non-executive Directors of the Company are Mr. CHOU Tsan-Hsiung, Mr. YANG Yi, Dr. LI Jun and Dr. Hui LIU; and the independent non-executive Directors of the Company are Mr. WANG Wei-Lin, Mr. YU Kam Kee Lawrence BBS, MBE, JP and Mr. Shan LI.