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)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The board (the "Board") of directors (the "Directors") of CMMB Vision Holdings Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2014 (the "Period") together with the comparative figures of 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2014

		Six months ended 30 June	
	NOTES	**2014**	**2013**
		US$	*US$*
		(unaudited)	*(unaudited)*
Revenue	3	393,511	555,492
Cost of sales		(615,012)	(902,461)
Gross loss		(221,501)	(346,969)
Other income		31	50
Administrative expenses		(550,601)	(254,168)
Other expenses		(1,188,216)	—
Finance costs	4	(475,168)	(352,081)
Loss for the period	6	(2,435,455)	(953,168)
Other comprehensive income			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		284	178
Total comprehensive expense for the period		(2,435,171)	(952,990)
Loss for the period attributable to:			
- Owners of the Company		(2,161,515)	(761,433)
- Non-controlling interests		(273,940)	(191,735)
Loss for the period		(2,435,455)	(953,168)
Total comprehensive expense attributable to:			
- Owners of the Company		(2,161,231)	(761,255)
- Non-controlling interests		(273,940)	(191,735)
Total comprehensive expense for the period		(2,435,171)	(952,990)
		US cents	*US cents*
Loss per share	8		
- Basic and diluted		(0.24)	(0.12)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	NOTES	**30 June 2014** *US$* *(unaudited)*	**31 December 2013** *US$* *(audited)*
NON-CURRENT ASSETS			
Property, plant and equipment		39,517	51,885
Intangible assets		23,690,674	23,843,846
Deposits for acquisitions of intangible assets		11,020,706	11,020,706
Amount due from a related company		1,562,885	—
		36,313,782	34,916,437
CURRENT ASSETS			
Trade and other receivables	9	1,856,057	1,394,043
Bank balances and cash		3,517,468	877,155
		5,373,525	2,271,198
CURRENT LIABILITIES			
Trade and other payables	10	6,630,217	2,121,967
NET CURRENT (LIABILITIES) ASSETS		(1,256,692)	149,231
		35,057,090	35,065,668
NON-CURRENT LIABILITIES			
Convertible notes		4,792,989	4,333,491
Derivative financial instruments of convertible notes		2,515,127	2,515,127
Amount due to a related company		—	675,165
Amount due to a director		47,580	48,746
		7,355,696	7,572,529
NET ASSETS		27,701,394	27,493,139
CAPITAL AND RESERVES			
Share capital		11,886,592	11,099,042
Share premium and reserves		5,332,579	5,637,934
Equity attributable to owners of the Company		17,219,171	16,736,976
Non-controlling interests		10,482,223	10,756,163
TOTAL EQUITY		27,701,394	27,493,139

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed consolidated financial statements have been prepared on a going concern basis. In preparing the condensed consolidated financial statements, the Directors of the Company (the "Directors") have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a loss of US$2,435,455 for the six-month ended 30 June 2014 and the Group's current liabilities exceeded its current assets by US$1,256,692 as at 30 June 2014. In the opinion of the Directors, the Group is able to continue as a going concern in the coming year taking into consideration the measures which include, but are not limited to, as the following:

(a) In March 2014, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 61,035,149 new shares of the Company for an aggregate consideration of approximately HK$15,869,000 (equivalent to approximately US$2,047,631) at a subscription price of HK$0.26 per ordinary share. The proceeds from the shares issued are applied for financing the Group's working capital.

(b) In April 2014, the Company proposed right issue of 1,842,421,788 new shares of the Company for an aggregate consideration of approximately HK$276,363,000 (equivalent to US$35,660,000) at a subscription price of HK$0.15 per right share which is subsequently completed in July 2014. The proceeds from right issue will be applied mainly for the acquisition of television stations and financing the Group's working capital.

    During the current interim period, the Group received advances payment of US$4,176,316 from shareholders for the subscription which is included in other payable as at 30 June 2014 and subsequently transferred to share capital and reserves of the Company.

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

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new and revised amendments and interpretation to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 10, HKFRS 12 and IAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) — Int 21	Levies

The Directors anticipate that the application of the new and revised amendments and interpretation to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group's reportable and operating segments under HKFRS 8 are as follows:

1. CMMB business — Provision of transmission and broadcasting of television programs.

2. Trading business — Provision of agency services relating to trading of printed circuit board materials.

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

Six months ended 30 June 2014

	CMMB business *US$* *(unaudited)*	**Trading business** *US$* *(unaudited)*	**Total** *US$* *(unaudited)*
Segment revenue	255,755	137,756	393,511
Segment loss	(405,889)	(67,718)	(473,607)
Other income			31
Corporate legal and professional fees			(587,338)
Share-based payments expense to consultants			(600,878)
Finance costs			(475,168)
Unallocated expenses			(298,495)
Loss for the period			(2,435,455)

Six months ended 30 June 2013

	CMMB business *US$* *(unaudited)*	**Trading business** *US$* *(unaudited)*	**Total** *US$* *(unaudited)*
Segment revenue	511,510	43,982	555,492
Segment loss	(390,951)	(11,953)	(402,904)
Other income			50
Finance costs			(352,081)
Unallocated expenses			(198,233)
Loss for the period			(953,168)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss from each segment without allocation of other income, central administration expenses, corporate legal and professional fees, directors' remuneration, share-based payments expense to consultants and corporate finance costs. This is the measure reported to the chief operating decision make for the purpose of resource allocation and performance assessment.

Revenue from major products and services

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

	Six months ended 30 June	
	2014	**2013**
	US$	*US$*
	(unaudited)	*(unaudited)*
Provision of agency services	255,755	511,510
Transmission and broadcasting of television programs	137,756	43,982
	393,511	555,492

4. FINANCE COSTS

	Six months ended 30 June	
	2014	**2013**
	US$	*US$*
	(unaudited)	*(unaudited)*
Effective interest expense on convertible notes	459,498	332,726
Imputed interest on amount due to a related company	15,574	10,481
Imputed interest on amount due to a director	—	8,874
Bank interest	96	—
	475,168	352,081

5. TAXATION

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in Hong Kong for both periods.

Taiwan Income Tax is calculated at a prevailing rate of 17% for both periods. No provision for Taiwan Income Tax has been made as the Group did not have any assessable profit arising in Taiwan for both periods.

Taxation arising in the United State of America ("USA") is calculated at a prevailing rate of 38% for the six months ended 30 June 2014 (six months ended 30 Jun 2013: 38%). No provision for Federal Income Tax and State and Local Income Tax has been made as the Group did not have any assessable profit arising in the USA for both periods.

Under the law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Company is 25% from 1 January 2008 onward. No provision for PRC income tax has been made in the condensed consolidated financial statements as all of the PRC subsidiaries did not have taxable income for both periods.

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2014	**2013**
	US$	*US$*
	(unaudited)	*(unaudited)*
Depreciation of property, plant and equipment	12,368	6,619
Amortisation of intangible assets included in cost of sales	153,172	612,690
Included in other expenses:		
Legal and professional fees *(Note)*	587,338	—
Share-based payments expense	600,878	—
Exchange loss	17,551	504
Bank interest income	(31)	(50)

Note: The amount represents legal and professional fee payable to consultants, advisors and other professional parties for development and acquisition of new business during the six months ended 30 June 2014.

7. DIVIDENDS

No dividends were paid, declared or proposed during both periods.

8. LOSS PER SHARE

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

	Six months ended 30 June	
	2014	**2013**
	US$	*US$*
	(unaudited)	*(unaudited)*
Loss		
Loss for the period attributable to the owners of the Company for the purposes of basic and diluted loss per share	(2,161,515)	(761,433)
Number of shares		
Number of ordinary shares for the purposes of basic and diluted loss per share	899,292,194	639,729,788

The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options and the conversion of the convertible notes of the Company as the assumed exercise of the share options and convertible notes for both periods would result in decrease in loss per share.

9. TRADE AND OTHER RECEIVABLES

The Group generally allows a credit period of 60 days to its trade customers of the Trading Business. There is no trade receivable under CMMB business as at both 30 June 2014 and 31 December 2013. The trade receivables are due from two customers under Trading Business as at 30 June 2014 and 31 December 2013.

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

	30 June 2014	**31 December 2013**
	US$	*US$*
	(unaudited)	*(audited)*
Trade receivables:		
0 - 30 days	700,523	465,235
31 - 60 days	506,354	432,264
61 - 90 days	203,200	112,464
Over 90 days	—	167,497
	1,410,077	1,177,460
Other receivables and deposits	105,954	6,190
Prepayments	340,026	210,393
	1,856,057	1,394,043

10. TRADE AND OTHER PAYABLES

The average credit period granted by its suppliers is 150 days.

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

	30 June 2014	**31 December 2013**
	US$	*US$*
	(unaudited)	*(audited)*
Trade payables		
0 - 90 days	1,202,529	1,349,975
91 - 120 days	187,064	92,322
Over 120 days	214,421	571
	1,604,014	1,442,868
Accruals	849,887	359,767
Other payables *(Note)*	4,176,316	319,332
	6,630,217	2,121,967

Note: The amount as at 30 June 2014 represented the deposits received from shareholders for the right issue and the amounts as at 31 December 2013 represented the deposits received from consultants for the share placement.

11. CAPITAL COMMITMENTS

	30 June 2014	**31 December 2013**
	US$	*US$*
	(unaudited)	*(audited)*
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
Acquisition of intangible assets	87,950,000	19,950,000

12. EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) As stated in note 1(b), the Company has completed the right issue in the proportion of two rights shares for every one existing share held on the record date at HK$0.15 per right share and bonus share of one bonus share for every two rights shares taken up under the right issue in July 2014. Details of this transaction were set out in the announcement of the Company dated 9 April 2014, 23 May 2014, 30 May 2014, 13 June 2014 and 30 July 2014 and the circular is relation to the right issue and the bonus share issued by the Company dated 10 July 2014.

(b) The Company has entered into the sale and purchase agreement with Chi Capital, pursuant to which the Company has conditionally agreed to purchase and Chi Capital has conditionally agreed to sell 79% interest in Chi Vision (USA) Inc., which holds the user and operating rights over free-to-air UHF and operating facilities in six top US metropolitan cities which are San Francisco, Dallas, Houston, Atlanta, Miami and Tampa with a coverage over 40 million in population, at total consideration of US$68,000,000, out of which US$30,000,000 will be paid by cash and US$38,000,000 will be satisfied by the issue of the convertible notes of the Company. The transaction is yet to complete as at the date of this report. Details of this transaction were set out in the announcement of the Company dated 23 May 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS/BUSINESS

The principal activity of CMMB Vision Holdings Limited (the "Company") is investment holding whilst its subsidiaries are mainly engaged in provision of China Mobile Multimedia Broadcasting ("CMMB") and agency services.

The Company has been pursuing opportunities arising from China's new policy in support of 3-Way Network Convergence (television, telecom and internet) and, in particular, has been focused on developing mobile television and interactive multimedia business based on the CMMB standards. The Company's goal is to develop into a mobile TV multimedia company, providing CMMB-based services, solutions, and innovations in China and in other markets around the world.

FINANCIAL REVIEW

For the six months ended 30 June 2014 ("Period"), the Group recorded loss for the period of US$2,435,455 as compared to US$953,168 for the same period in 2013, representing an increase of approximately 155%. Loss per share was US0.24 cents (six months ended 30 June 2013: US0.12 cents) and net assets per share attributable to owners of the Company was US1.87 cents (31 December 2013: US1.95 cents).

Revenue

For the Period, the Group is engaged in provision of transmission and broadcasting of telephone programs and agency services with revenue of US$393,511 (six months ended 30 June 2013: US$555,492).

Cost of sales

Cost of sales includes amortisation of intangible assets for CMMB business amounting to US$153,172 for the Period (six months ended 30 June 2013: US$612,690).

Operating expenses

During the Period, the Group's administrative expenses increased by 117% to US$550,601 (six months ended 30 June 2013: US$254,168).

Other expenses

Other expenses includes share-based payments expense to consultants of US$600,878 and corporate legal and professional fee US$587,338 for the placement of new shares and other potential investment and acquisitions.

Finance costs

Finance costs of the Group for the Period amounted to US$475,168 which mainly represents effective interest expense on convertible notes. The Group did not bear any bank and other borrowings during the six months ended 30 June 2014.

INTERIM DIVIDEND

The board ("Board") of directors ("Directors") of the Company does not recommend to declare any interim dividend to the shareholders of the Company for the Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2014, the Group had equity attributable to owners of the Company of US$17,219,171 (31 December 2013: US$16,736,976). Current assets amounted to US$5,373,525 which mainly comprises bank balances and cash of US$3,517,468 and trade and other receivables of US$1,856,057. Current liabilities amounted to US$6,630,217 which mainly comprises trade payables of US$1,604,014 and deposits received for subscription of right issue US$4,176,316.

As at 30 June 2014, the Group's current ratio was 0.81 (31 December 2013: 1.07) and the gearing ratio (a ratio of total loans to total assets) was 18% (31 December 2013: 20%).

FOREIGN EXCHANGE EXPOSURE

For the Period, most assets, liabilities and transactions of the Group are denominated in US$. The management of the Group believes that foreign exchange risk does not affect the Group, therefore, the Group did not make any hedging arrangement during the Period.

SEGMENT INFORMATION

Details of segment information of the Group for the Period are set out in note 3 to the condensed consolidated financial statements.

EMPLOYEE BENEFITS

For the Period, the average number of employees of the Group was approximately 30 (six months ended 30 June 2013: approximately 15), and the Group's staff costs amount to US$254,982 (six months ended 30 June 2013: US$86,350). The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice. During the Period, the Company granted 77,767,574 share options under the share option scheme of the Company adopted on 5 July 2005 to certain consultants which are engaged for improving the system of CMMB-LTE technology with their uniqueness service rendered for the purpose of development of CMMB Business and seeking for new investment opportunities in CMMB Business.

MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENT

During the Period, the Group did not have any material acquisition or disposals of subsidiaries or associates other than those announced on website of the Stock Exchange of Hong Kong Limited.

CHARGE ON ASSETS

As at 30 June 2014, neither the Group nor the Company pledges any properties and assets (31 December 2013: Nil).

CONTINGENT LIABILITIES

As at 30 June 2014, neither the Group nor the Company has any significant contingent liabilities (31 December 2013: Nil).

PROSPECTS

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

Developed by the State Administration of Radio, Film, and Television ("SARFT") of the People's Republic of China ("PRC") with collaboration from the United States of America, CMMB is one of the most advanced digital broadcasting (multicast) technologies invented in the 21 Century that enables mobile television ("TV") delivery and data delivery through Internet by the Internet Protocol ("IP data"). It is Orthogonal frequency-division multiplexing ("OFDM") based, and can readily interact with other OFDM technologies such as third generation mobile technology 3G, fourth generation mobile technology ("4G") based on Institute of Electrical and Electronics Engineers standards 802.16(e) ("WiMax") and 4G Long Term Evolution ("4G LTE"). The key feature of CMMB is that it can deliver streaming live mobile video and push-IP data in a massive quantity and instant speed simultaneously to an unlimited number of mobile users anytime anywhere at very low cost. CMMB has been widely deployed over 330 Chinese cities with the support of world's largest mobile network and supply-chain ecosystem.

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the Period, the Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code throughout the Period and all the Directors confirmed that they have fully complied with the required standard set out in the Model Code during the Period.

CODE ON CORPORATE GOVERNANCE

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

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

AUDIT COMMITTEE

The Audit Committee (the "Audit Committee") was established by the Company on 5 July 2005 and it has adopted new written terms in order to comply with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls. The Audit Committee comprises Mr. Li Shan and Dr. Li Jun, being independent non-executive Directors and Mr. Chou Tsan-Hsiung, a non-executive Director. Currently, Mr. Li Shan is the chairman of the Audit Committee.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed, with the management, the accounting principles and policies, internal controls and financial reporting adopted by the Group, and the unaudited condensed consolidated financial statements for the Period and recommended its adoption by the Board.

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

Hong Kong, 29 August 2014

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