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CMMB VISION HOLDINGS LIMITED

中國移動多媒體廣播控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 471)

Business Update

L-Frequency coordination at WRC-19 achieved great success

Priority landing right and asset value re-affirmed

In November 2019, the Company, as part of the government delegation and the only L-band BSS satellite operator, attended the World Radiocommunication Conference 2019 (“WRC-19”) organized under the International Telecommunication Union (“ITU”) of the United Nations, in which the Company collaborated with representatives from different countries for frequency coordination pertaining to our 1467-1492 L-band satellite radio frequency priority use right (the “L-band satellite frequency”).

L-band satellite frequency is among the most precious radio frequencies, whose planning and usage are solely specified and organized by the ITU. The Company’s AsiaStar satellite (owned through its related company Silkwave Holdings Limited (“Silkwave”)) owns the priority use right of such frequency since its launch in 2003, and the frequency is a substantial part of the Company’s assets.

Rapid deployment of mobile cellular network in recent years has caused serious radio frequency shortage. Mobile carriers have been going to the ITU to petition our L-band satellite frequency to be also used for 5G development.

In order to facilitate satellite – 5G convergence and at the same time adequately protect our priority rights, the Company, joint by other countries including China, Russian Common Wealth States known as Regional Common Wealth in the field of Communications, Samoa and Papua New Guinea successfully negotiated a motion that was unanimously approved by the delegates of the WRC-19. The ruling stipulates that:

1. The L-band satellite frequency for satellite mobile broadcasting usage will continue to be a primary service and coexist with other services.
2. The power level (PDF) of the frequency transmission will be increased in the service areas. The corresponding Effective Isotropic Radiated Power (EIRP) over the transmitted frequency will be a minimum of 69 dBW (equivalent to 100 times of current AsiaStar power level) or greater in the areas of service. Such levels can adequately accommodate many future media and data services and applications. Area outside the service coverage will be limited to the stated EIRP.

3. Further, in the area of the L-band satellite service coverage footprint (which includes China and Asia regional countries), the service landing is not required to be coordinated with terrestrial mobile operators for transmission PFD or EIRP over the broadcast frequency operating at or below the coordination power threshold.

The impacts of the ITU ruling on the Company:

1. Increasing spectrum asset value of the Company:
 - a. Sirius XM Holdings, Inc is the only satellite radio service broadcaster in the US. It uses S-band frequency (adjacent to L-band) to provide audio-only services with coverage footprint over North America. It has about 30 million customers, USD 7.2 billion in annual revenue, and USD 1 billion in annual earnings. It has a market capitalization of USD 31 billion at the NADSAQ Stock Exchange, and its S-band frequency has an implied book value of approx. USD 2 billion.
 - b. The Company's L-band spectrum owned through Silkwave has a coverage footprint over the whole Asia, with population 10 time of North America, and is currently under deployment in China for vehicles to provide services including audio, video, and Internet data. The commercial value of such a business platform and its frequency (especially after the latest validation from the ITU), is expected to be higher than that of the comparable US platform.
2. Solidify landing priority and facilitate commercial launch in China:
 - a. The ruling under ITU serves to solidify China's already planned usage of L-band satellite frequency for mobile multimedia broadcasting, which is not to be affected by terrestrial mobile operators. China has also undertook to bring-in-use a satellite for the service. These give great momentum to the Company's collaboration in China in deploying commercial services in the near future.
3. Paving foundation for Belt-Road expansion
 - a. As part of the ruling, the ITU stipulates that if the L-band satellite frequency transmission power is at or below 61 dBW, services can land in any countries under its coverage footprint, without requiring coordination with terrestrial mobile operators. Such stipulation greatly enhances the Company's autonomy and exclusiveness in deploying services in multiple countries, which in turn will enable the Company to quickly expand services to the Belt-Road regions.

By order of the Board
CMMB Vision Holdings Limited

Wong Chau Chi
Chairman

Hong Kong, 20 December 2019

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