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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)

CONNECTED AND DISCLOSEABLE TRANSACTION

- (i) Acquisition of the entire issued share capital of CMMB International**
- (ii) Proposed grant of Specific Mandate to issue the Consideration Shares**
- (iii) Strategic Business Development Agreement with Motorola, Inc.**

SUMMARY

Connected and Discloseable Transaction

The Board is pleased to announce that on 20 October 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. 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.

Along with the international efforts, the Board is also pleased to announce that on 25 January 2010, the Company has entered into a Strategic Business Development Agreement with Motorola, Inc., one of the world's leading mobile technology providers, to jointly propagate and globalize the adoption of CMMB technology around the world, developing the platform and ecosystem needed to attract customers such as mobile operators and broadcasters to launch CMMB mobile multimedia services in their respective markets. The acquisition of CMMB International greatly enhances such efforts.

Mobile TV multimedia is a global consumer trend. CMMB, with its success in China, is leading the world in development, and the Board considers it has great potential in the international markets. With the acquisition of CMMB International, partnerships with TiMi Technologies and Motorola, Inc., and unique China experience, the Board believes the Company has already built the platform with unparalleled abilities to develop and promote CMMB outside of the PRC. The Company's international strategy is to provide turnkey development solutions to overseas markets and participate in local service operations. Dr. Liu Hui, a principal founder of CMMB, 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 in several countries outside of the PRC and is planning to launch CMMB trials there in the near future.

The consideration for the Chi Capital Acquisition and the Skyrise Acquisition is valued at HK\$40,912,200 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, 292,230,000 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 16.88% of the entire issued share capital of the Company immediately prior to the issue of the Consideration Shares and the Skyrise SPA and; (ii) approximately 14.44% 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.

The issue price of HK\$0.140 per Consideration Shares represents (i) a premium of approximately 20.69% to the closing price of HK\$0.116 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 19.66%

to the average closing price of HK\$0.117 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 19.66% to the average closing price of HK\$0.117 per Share as quoted on the Stock Exchange for last ten consecutive trading days up to and including the Last Trading Day.

Listing Rules implications

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 a holding 110,487,500 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 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.

In addition, pursuant to Rules 14.22 and 14.23 of the Listing Rules, the Chi Capital Acquisition will be aggregated with the Skyrise Acquisition. When aggregated, each of the applicable percentage ratios under the Chi Capital Acquisition and the Skyrise Acquisition (other than the profits ratio) is more than 5% but is less than 25%, which constitute a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements set out in Rules 14.34 to 14.37 of the Listing Rules but is exempt from the shareholders' approval requirement under the Listing Rules.

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.

EGM

The EGM will be convened as soon as practicable at which an ordinary resolution will be proposed for the Independent Shareholders to consider, and, if thought fit, to approve the Chi Capital SPA and the transaction thereunder. Pursuant to the Listing Rules, at the EGM, Mr. Wong Chau Chi and his associates, including Chi Capital, are required to abstain from voting on the resolution(s) approving the same. Voting at the EGM will be conducted by poll.

Independent Board Committee

The Independent Board Committee comprising all independent non-executive Directors has been formed to consider the terms of the Chi Capital SPA and the transaction thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

Circular

A circular containing, inter alia, (1) further information on the Chi Capital SPA; (2) further information on the proposed specific mandate to issue the Consideration Shares; (3) the notice of the EGM; (4) the letter from an independent financial adviser to both the Independent Board Committee and the Independent Shareholders regarding the Chi Capital SPA and the Chi Capital Acquisition; and (5) the recommendation of the Independent Board Committee to the Independent Shareholders in connection thereto, is expected to be dispatched to the Shareholders on or before 20 December 2010 in compliance with the requirements of the Listing Rules.

The sale and purchase of the entire issued share capital of CMMB International pursuant to the Chi Capital SPA and the Skyrise SPA are subject to the fulfillment of various conditions precedents and may or may not proceed to completion. Accordingly, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 20 October 2010, the Company has entered into the Chi Capital SPA and the Skyrise SPA with Chi Capital and Skyrise respectively.

The major terms of the Chi Capital SPA and the Skyrise SPA are summarised below:

THE CHI CAPITAL SPA

Date: 20 October 2010.

Parties:

- (1) Chi Capital as the seller; and
- (2) the Company as the purchaser.

Subject matter: Pursuant to the Chi Capital SPA, Chi Capital agreed to sell and the Company agreed to purchase 51% interest of CMMB International.

Consideration: The consideration payable to Chi Capital under the Chi Capital SPA is HK\$40,912,200, which was determined based on arm's length negotiation between the parties thereto taking into account, among other things, market comparables, replacement costs, operation readiness, growth potentials of CMMB International and the existing and potential operating partnerships in China. The original purchase cost of the 51% interest in CMMB International by Chi Capital is HK\$501.

Payment: The consideration is valued at HK\$40,912,200, the entire amount of which will be paid by way of the Company issuing 292,230,000 new Shares at an issue price of HK\$0.140 per Consideration Share.

Conditions Precedent: Completion of the 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: 20 October 2010.

Parties:

- (1) Skyrise as the seller; and
- (2) the Company as the purchaser.

Subject matter: 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, which was determined based on arm's length negotiation between the parties thereto taking into account, among other things, market comparables, replacement costs, operation readiness, growth potentials of CMMB International and the existing and potential operating partnerships in China.
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.

Information on the Consideration Shares:

Comparison to share capital of the Company:	The 292,230,000 new Shares to be issued to Chi Capita and the 280,770,000 new Shares to be issued to Skyrise in aggregate represents (i) approximately 16.88% of total number of issued Shares immediately prior to the issue of the Consideration Shares; and (ii) approximately 14.44% of the enlarged issued share capital of the Company as enlarged by the issuance of the Consideration Share.
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- Price information: The issue price of HK\$0.140 per Share represents (i) a premium of approximately 20.69% to the closing price of HK\$0.116 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 19.66% to the average closing price of HK\$0.117 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 19.66% to the average closing price of HK\$0.117 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.

The sale and purchase of the entire issued share capital of CMMB International pursuant to the Chi Capital SPA and the Skyrise SPA are subject to the fulfilment of various conditions precedents and may or may not proceed to completion. Accordingly, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

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.

As mentioned in the announcements of the Company dated 19 January 2010 and 2 July 2010, the Group has evolved into a dedicated developer and promoter of CMMB multimedia services. The acquisition of the entire issued share capital of CMMB International will provide the Company with the necessary technology and know-how to promote and expand CMMB operations outside of the PRC.

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, including the independent non-executive Directors, consider the terms of the Skeyrise SPA are fair and reasonable and in the interest of the Shareholders as a whole.

The Directors, not including the independent non-executive Directors, also consider the terms of the Chi Capital SPA are fair and reasonable and in the interest of the Shareholders as a whole. In view of the fact that the Chi Capital SPA constitute connected transactions of the Company for reasons set out in the paragraph "Listing Rules Implications" below, the Directors, the independent non-executive Directors, being the members of the Independent Board Committee, reserve their opinion on the Chi Capital SPA pending receipt of the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders.

PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE THE CONSIDERATION SHARES

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

Application will be made by the Company to the Stock Exchange for the grant of listing of and permission to deal in the Consideration Shares.

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 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 financial period ended 31 December 2009, the unaudited financial information of CMMB International is as follows:

	HK\$
Net liabilities value	5,500
Net loss before taxation and extraordinary items	5,500
Net loss after taxation and extraordinary items	5,500

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.

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.

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.

LISTING RULES IMPLICATIONS

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 a holding 110,487,500 Shares as at the date hereof. As such, 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.

In addition, pursuant to Rules 14.22 and 14.23 of the Listing Rules, the Chi Capital Acquisition will be aggregated with the Skyrise Acquisition. When aggregated, each of the applicable percentage ratios under the Chi Capital Acquisition and the Skyrise Acquisition (other than the profits ratio) is more than 5% but is less than 25%, which constitute a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements set out in Rules 14.34 to 14.37 of the Listing Rules but is exempt from the shareholders' approval requirement under the Listing Rules.

EGM

The EGM will be convened as soon as practicable at which an ordinary resolution will be proposed for the Independent Shareholders to consider, and, if thought fit, to approve the Chi Capital SPA and the transaction thereunder. Pursuant to the Listing Rules, at the EGM, Mr. Wong Chau Chi and his associates, including Chi Capital, are required to abstain from voting on the resolution(s) approving the same. Voting at the EGM will be conducted by poll.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all independent non-executive Directors has been formed to consider the terms of the Chi Capital SPA and the transaction thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

CIRCULAR

A circular containing, inter alia, (1) further information on the Chi Capital SPA; (2) further information on the proposed specific mandate to issue the Consideration Shares; (3) the notice of the EGM; (4) the letter from an independent financial adviser to both the Independent Board Committee and the Independent Shareholders regarding the Chi Capital SPA and the Chi Capital Acquisition; and (5) the recommendation of the Independent Board Committee to the Independent Shareholders in connection thereto, is expected to be dispatched to the Shareholders on or before 20 December 2010 possible in compliance with the requirements of the Listing Rules.

STRATEGIC BUSINESS DEVELOPMENT AGREEMENT WITH MOTOROLA, INC.

The Board is also pleased to announce that, on 25 January 2010 the Company has entered into a strategic business development agreement with Motorola, Inc., a leading mobile technology provider in the world, to jointly develop and promote CMMB technology in markets around the world. Pursuant to the agreement, the Company and Motorola, Inc. will, among other things, jointly propagate and globalize the adoption of CMMB technology, to develop the platform needed to attract customers such as mobile network operators and broadcasters to launch CMMB-mobile video services in their respective markets, and to establish franchise operations for CMMB technology.

With the acquisition of CMMB International, which has entered into a technology licensing agreement with TiMi Technologies and coupled with the Company's cooperation with Motorola, Inc. pursuant to the Strategic Business Development Agreement, the Board believes the Company has already built the platform and capacity to provide turnkey solutions to develop and promote CMMB technology outside of the PRC. The strategy of the Company is to provide turnkey solutions to develop and deploy CMMB technology and business platform in markets outside of the PRC and participate in service operations through local partnerships to build a global CMMB franchise.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“Chi Capital SPA”	the sale and purchase agreement dated 20 October 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. (formerly known as Global Flex 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 292,230,000 new Shares of the Company to be issued to Chi Capital as consideration for the Chi Consideration Acquisition under the 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, approving the Chi Capital SPA, Chi Capital Acquisition contemplated thereunder and to grant the Specific Mandate
“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 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
“Last Trading Day”	20 October 2010
“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
“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
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“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 20 October 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, 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

“TiMi Technologies”

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

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

Hong Kong, 20 October 2010

As at the date of this announcement, the Board comprises one executive Director, namely Mr. WONG Chau Chi; four non-executive Directors, namely Mr. CHOU Tsan-Hsiung, Mr. YANG Yi, Dr. LI Jun and Dr. Hui LIU; and three independent non-executive Directors, namely Mr. WANG Wei-Lin, Mr. YU Kam Kee Lawrence BBS, MBE, JP and Mr. Shan LI.