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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)

**UPDATE ON RIGHTS ISSUE:
CHANGES TO CONDITIONS OF THE RIGHTS ISSUE
AND
UNDERWRITING ARRANGEMENTS**

Reference is made to the announcement of the Company dated 9 April 2014 in relation to the proposed rights issue of the Company (the “**Announcement**”). Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used herein.

THE SUB-UNDERWRITING LETTER

The Company announces that on 23 May 2014, the Company, Chi Capital, Yu Chi Investment Ltd., Mr. He Wei and Refined Honour Ltd. (Yu Chi Investment Ltd., Mr. He Wei and Refined Honour Ltd., collectively the “**Sub-underwriters**”) have entered into a legally binding sub-underwriting letter (the “**Sub-underwriting Letter**”), pursuant to which each of the Sub-underwriters has undertaken to subscribe for up to 258,921,900 Rights Shares, if called upon by Chi Capital on the terms and conditions of the Sub-underwriting Letter. Each of the Sub-underwriters is an Independent Third Party and not acting in concert with Chi Capital. Except for the Sub-underwriting Letter and the Underwriting Agreement, there is no other agreement or arrangement among Chi Capital, the Sub-Underwriters and President Securities regarding any acquisition or consolidation of any Shares or voting rights in the Company by any of them.

Chi Capital has undertaken that in the event that it is called upon by the Company to subscribe or procure subscribers for any Underwritten Shares in excess of 320,000,000 Rights Shares, it shall call upon the Sub-underwriters to subscribe for any such Underwritten Shares in excess of 320,000,000 Rights Shares in equal proportions pursuant to the Sub-underwriting Letter. Each of the Sub-underwriters shall be entitled to a sub-underwriting commission of 1.0% of the total subscription price of such Rights Shares which it takes up payable by the Company.

Pursuant to the Sub-underwriting Letter, in the event that any of the Sub-underwriters is required to take up any Rights Shares, the Company shall issue the Rights Shares to the respective Sub-underwriter in fully-paid form. Pursuant to the Bonus Issue, the Company will also issue to each of the Sub-underwriters one Bonus Share for every two Rights Share subscribed by the respective Sub-underwriters. The Company shall not issue any Rights Shares to Chi Capital in excess of 631,715,676 Rights Shares, including the 311,715,676 Rights Shares which will be provisionally allotted to Chi Capital as the owner of 155,857,838 Shares which Chi Capital has agreed to accept or procure to accept pursuant to the relevant Irrevocable Undertaking.

Pursuant to the Sub-underwriting Letter, each of the Sub-underwriters has undertaken not to place to or procure the subscription of any of the Rights Shares by any person who is not an Independent Third Party or any person who is a party acting in concert with Chi Capital or President Securities.

TAKEOVERS CODE IMPLICATIONS

It was disclosed in the Announcement that assuming full exercise of the Share Options on or before the Record Date and no acceptance by the Qualifying Shareholders (except Chi Capital) under the Rights Issue, Chi Capital will be required to take up 1,254,946,228 Underwritten Shares (including the 311,715,676 Rights Shares which would be provisionally allotted to Chi Capital pursuant to the relevant Irrevocable Undertaking) and the total shareholding of the Concert Group upon completion of the Rights Issue and the Bonus Issue would amount to approximately 52.48% of the then issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares and the Bonus Shares. Under such circumstance, Chi Capital would be required to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Chi Capital) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

It was also disclosed in the Announcement that Chi Capital would make an application to the Executive for the granting of the Whitewash Waiver and that if the Whitewash Waiver is not granted, the Underwriting Agreement would not become unconditional and the Rights Issue would not proceed.

By virtue of the Sub-underwriting Letter, Chi Capital will not take up more than 631,715,676 Rights Shares (including the 311,715,676 Rights Shares which will be provisionally allotted to Chi Capital pursuant to the relevant Irrevocable Undertaking) and the total shareholding of the Concert Group upon completion of the Rights Issue and the Bonus Issue would amount to no more than 29.95% of the then issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares and the Bonus Shares under all circumstances and will not result in a change of control (as defined in the Takeovers Code). **Accordingly, Chi Capital will not be required to make a mandatory general offer for all the issued Shares under Rule 26.1 of the Takeovers Code as a result of the Rights Issue and hence will not make an application to the Executive for the granting of the Whitewash Waiver.**

CONDITIONS TO THE RIGHTS ISSUE AND BONUS ISSUE

It was disclosed in the Announcement that the Rights Issue and the Bonus Issue would be conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms or otherwise. The conditions to the Underwriting Agreement includes, among other things, (i) the granting of the Whitewash Waiver to Chi Capital by the Executive; and (ii) the passing at a duly convened general meeting of the shareholders of the Company held on or before the Posting Date of the necessary resolutions of the Independent Shareholders, who are permitted to vote under the Listing Rules and the Takeovers Code, approving the Rights Issue, the Bonus Issue, the Whitewash Waiver, the Underwriting Agreement and the transactions contemplated thereunder.

As a result of the sub-underwriting arrangement as set out in the paragraph headed “The Sub-underwriting Letter” above (the “**Sub-underwriting Arrangement**”), the Directors now consider that the circumstances under which the Concert Group might incur a mandatory general offer obligation as a result of the Rights Issue will not arise. In order to simplify the Rights Issue and the Bonus Issue, the Directors have accordingly determined to remove all conditions relating to the Whitewash Waiver following consultation with the Underwriters. Accordingly,

- (i) the granting of the Whitewash Waiver to Chi Capital by the Executive is removed as a condition to the Rights Issue; and

- (ii) the condition relating to shareholders' approval has been modified to the effect that approval for the Whitewash Waiver will no longer be required, such that the condition is replaced by the following:

“the passing at a duly convened general meeting of the shareholders of the Company held on or before the Posting Date of the necessary resolutions of the Independent Shareholders, who are permitted to vote under the Listing Rules, approving the Rights Issue, the Bonus Issue, the Underwriting Agreement and the transactions contemplated thereunder.”

Accordingly, the Circular will not contain any information regarding the Whitewash Waiver and the Whitewash Waiver will not be subject to approval by the Independent Shareholders at the EGM.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company (i) as at the Date of this announcement; and (ii) immediately after completion of the Rights Issue and Bonus Issue under various scenarios taking into account the Sub-underwriting Arrangement:

Scenario 1

Assuming no further issue of new Shares on or before the Record Date:

	(i) As at the date of this announcement		(ii) Immediately upon completion of the Rights Issue and Bonus Issue			
	No. of Shares	Approx. %	(a) assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(b) assuming full acceptance by Chi Capital but nil acceptance by other Qualifying Shareholders under the Rights Issue	
No. of Shares			Approx. %	No. of Shares	Approx. %	
Concert Group (Note 1)	155,857,838	16.92	623,431,352	16.92	1,103,431,352	29.95
Yu Chi Investment Ltd.	4,132,653	0.45	16,530,612	0.45	265,985,709	7.22
Mr. He Wei	30,083,725	3.27	120,334,900	3.27	291,936,781	7.92
Refined Honour Ltd.	121,250	0.01	485,000	0.01	261,974,306	7.11
Subscribers to be procured by President Securities (Note 2)	—	—	—	—	1,030,500,000	27.97
Other public Shareholders	731,015,428	79.35	2,924,061,712	79.35	731,015,428	19.84
Total	<u>921,210,894</u>	<u>100.00</u>	<u>3,684,843,576</u>	<u>100.00</u>	<u>3,684,843,576</u>	<u>100.00</u>

Scenario 2

Assuming all the outstanding Share Options are exercised and no other issue of new Shares on or before on or before the Record Date:

	(i) As at the date of this announcement		(ii) Assuming all the outstanding Share Options are exercised before the Record Date		(a) assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(b) assuming full acceptance by Chi Capital but nil acceptance by other Qualifying Shareholders under the Rights Issue		(iii) Immediately upon completion of the Rights Issue and Bonus Issue	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Concert Group (Note 1)	155,857,838	16.92	155,857,838	14.88	623,431,352	14.88	1,103,431,352	26.33		
Yu Chi Investment Ltd.	4,132,653	0.45	4,132,653	0.39	16,530,612	0.39	392,515,503	9.37		
Mr. He Wei	30,083,725	3.27	30,083,725	2.87	120,334,900	2.87	418,466,575	9.98		
Refined Honour Ltd.	121,250	0.01	121,250	0.01	485,000	0.01	388,504,100	9.27		
Subscribers to be procured by President Securities (Note 2)	—	—	—	—	—	—	1,030,500,000	24.59		
Other public Shareholders	731,015,428	79.35	857,545,222	81.85	3,430,180,888	81.85	857,545,222	20.46		
Total	<u>921,210,894</u>	<u>100.00</u>	<u>1,047,740,688</u>	<u>100.00</u>	<u>4,190,962,752</u>	<u>100.00</u>	<u>4,190,962,752</u>	<u>100.00</u>		

Note:

- These Shares are registered under the name of Chi Capital, the sole shareholder and sole director of which is Mr. Wong Chau Chi, the chief executive officer, an executive Director of the Company and the chairman of the Board. Under the SFO, Mr. Wong Chau Chi was deemed to be interested in all the Shares held by Chi Capital. Please refer to the sub-section headed “Information on Chi Capital” below.
- President Securities has undertaken that in case it is called upon by the Company to perform its obligations pursuant to the Underwriting Agreement, it will not subscribe on its own account for the Rights Shares and will, as agent, procure subscribers who are independent third parties not connected or associated with the Directors, substantial Shareholders or chief executive of the Company and its subsidiaries, or any of their respective associates and are not acting in concert with the Concert Group.

President Securities will, before the despatch of the Circular, enter into sub-underwriting agreements with sub-underwriters, who are Independent Third Parties and not acting in concert with Chi Capital, as necessary to prevent a breach of the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue, the details of which will be disclosed in the Circular.

None of the Sub-underwriters will become a connected person of the Company as a result of their participation in the Rights Issue and Bonus Issue.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is conditional on the Underwriting Agreement having become unconditional and not having been terminated (see the sub-section headed “Termination of the Underwriting Agreement” above) and such revised conditions as set out under the section headed “Conditions to the Rights Issue and the Bonus Issue” above. The conditions to the Underwriting Agreement are set out in the sub-section headed “Conditions of the Underwriting Agreement” in the Announcement.

Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholder or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are advised to consult their own professional advisers.

GENERAL

Save as set out above, the other key terms of the Rights Issue, the Bonus Issue and the Underwriting Agreement as set out in the Announcement remain unchanged.

The Company will publish a further announcement in compliance with the Listing Rules regarding the detailed timetable in relation to Rights Issue when a definite timetable has been fixed.

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

Hong Kong, 23 May 2014

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. WONG Chau Chi and Dr. Hui LIU; 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. Shan LI and Dr. LI Jun.

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.