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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)**

**(1) PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD  
LOT SIZE; AND**  
**(2) PROPOSED CAPITAL REDUCTION OF ISSUED SHARES AND  
SUB-DIVISION OF UNISSUED SHARES**

**SUMMARY**

The Board proposes to implement the Share Consolidation pursuant to which every ten (10) issued and unissued Existing Shares of HK\$0.10 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$1.00 each in the share capital of the Company. Subject to the Share Consolidation becoming effective, the Board proposes to implement the Capital Reduction of the issued Consolidated Shares and the Sub-division of the unissued Consolidated Shares.

**PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

**Proposed Share Consolidation**

The Company intends to put forward a proposal to the Shareholders to effect the Share Consolidation pursuant to which every ten (10) issued and unissued Existing Shares of HK\$0.10 will be consolidated into one (1) Consolidated Share of HK\$1.00.

As at the date of this announcement, the authorized share capital of the Company was HK\$5,000,000,000.00 comprising 50,000,000,000 Existing Shares with a par value of HK\$0.10 each, of which 18,759,608,000 Existing Shares were in issue. The Board proposes that every ten (10) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share with a par value of HK\$1.00 each.

Assuming no further Existing Shares will be issued or repurchased or surrendered before the Share Consolidation becoming effective, the authorized share capital of the Company will become HK\$5,000,000,000.00 divided into 5,000,000,000 Consolidated Shares with a par value of HK\$1.00 each, of which 1,875,960,800 Consolidated Shares will be in issue immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Sub-division becoming effective.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders by way of poll to approve the Share Consolidation at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective;
- (iii) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation; and
- (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on 21 June 2016 being the business day immediately after the EGM.

### **Reasons for the Share Consolidation**

The Board noted that, when the price of Shares is below HK\$0.1 per Share, it is excessively prone to speculative trading, which is not conducive to building an institutional investor base for the Company to support the long term development and business expansion of the Company. The Share Consolidation will increase the par value of the Shares and it is expected that the Share Consolidation would lead to a corresponding upward adjustment in the trading price of the Consolidated Shares on the Main Board of the Stock Exchange. The Share Consolidation will also reduce volatility of share trading, as when the price is below HK\$0.1 per Share, it is excessively prone to speculative trading by the market and not conducive to building an institutional investor base for the Company to support its on-going and long term financing activities and business expansion.

In connection with the Share Consolidation, the Board also proposes to change the board lot size from 40,000 Existing Shares per board lot to 4,000 Consolidated Shares per board lot, further details of which are set out below. The Directors believe the Share Consolidation, together with the proposed change in board lot size of the Shares, would help to reduce volatility of the Shares thus is in the interests of the Company and its Shareholders as a whole.

### **Effects of the Share Consolidation**

All Consolidated Shares will rank *pari passu* in all respects with each other. Fractions of Consolidated Shares that arise from the Share Consolidation will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated and sold for the benefit of the Company.

The implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

### **Application for Listing of the Consolidated Shares**

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of and permission to deal in the Consolidated Shares.

Subject to the granting of listing of and permission to deal in the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

## **Proposed Change in Board Lot Size**

Subject to the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading from 40,000 Existing Shares to 4,000 Consolidated Shares.

Such change in the board lot size would reduce the trading amount for each board lot and shall allow the public to have a more reasonable entry level to invest in the Consolidated Shares. Accordingly, the Board is of the view that the change in board lot size is in the interest of the Company and the Shareholders as a whole.

Based on the closing price of the HK\$0.052 per Existing Share as quoted on the Stock Exchange at the date of this announcement, the value for each existing board lot of 40,000 Existing Shares was HK\$2,080 and the value for each new board lot of 4,000 Consolidated Shares would be HK\$2,080. The change in board lot size will not, by itself, affect any of the rights of the Shareholders.

## **PROPOSED CAPITAL REDUCTION OF ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARES**

As at the date of this announcement, the authorized share capital of the Company is HK\$5,000,000,000.00 divided into 50,000,000,000 Existing Shares, of which 18,759,608,000 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Existing Shares will be issued or repurchased or surrendered before the Share Consolidation becoming effective, the authorized share capital of the Company will become HK\$5,000,000,000.00 divided into 5,000,000,000 Consolidated Shares, of which 1,875,960,800 Consolidated Shares will be in issue immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Sub-division becoming effective. Subject to the Share Consolidation becoming effective, the Board intends to put forward a proposal to the Shareholders to implement the Capital Reduction and the Sub-division in the following manner:

- (i) the par value of each of the then issued Consolidated Shares be reduced from HK\$1.00 to HK\$0.01 by cancelling the paid up share capital to the extent of HK\$0.99 on each of the then issued Consolidated Shares by way of a reduction of capital, so as to form issued New Shares with par value of HK\$0.01 each;
- (ii) the credit arising from the Capital Reduction be applied towards offsetting the Accumulated Losses of the Company as at the effective date of the Capital Reduction, thereby reducing the Accumulated Losses of the Company. The balance of credit (if any) will be transferred to a capital reduction reserve

account of the Company or other reserve account of the Company and be applied as a distributable reserve in accordance with all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate;

- (iii) immediately following the Capital Reduction, each of the then authorized but unissued Consolidated Shares with par value of HK\$1.00 each be subdivided into one hundred (100) New Shares with par value of HK\$0.01 each; and
- (iv) each of the New Shares arising from the Capital Reduction and the Sub-division shall rank pari passu in all respects with each other and have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reduction and the Sub-division becoming effective, the share capital structure of the Company will be as follows:

	<b>As at the date of this announcement</b>	<b>Immediately after the Share Consolidation becoming effective but prior to the Capital Reduction and the Sub-division becoming effective</b>	<b>Immediately after the Capital Reduction and the Sub-division becoming effective</b>
Par value	HK\$0.10 per Existing Share	HK\$1.00 per Consolidated Share	HK\$0.01 per New Share
Amount of the authorized share capital	HK\$5,000,000,000	HK\$5,000,000,000	HK\$5,000,000,000
Number of authorized shares	50,000,000,000 Existing Shares	5,000,000,000 Consolidated Shares	500,000,000,000 New Shares
Number of issued shares	18,759,608,000 Existing Shares	1,875,960,800 Consolidated Shares	1,875,960,800 New Shares
Amount of the issued share capital	HK\$1,875,960,800	HK\$1,875,960,800	HK\$18,759,608

The size of each board lot of the New Shares will remain the same as that of the Consolidated Shares, being 4,000 New Shares per board lot. The New Shares will rank pari passu in all respects with each other.

As at the date of this announcement, 18,759,608,000 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Existing

Shares will be issued or repurchased or surrendered before the Share Consolidation becoming effective, 1,875,960,800 Consolidated Shares will be in issue immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Sub-division becoming effective. Assuming that the par value of each of the then issued Consolidated Shares will be reducing from HK\$1.00 to HK\$0.01 by cancelling the paid-up capital to the extent of HK0.99 on each of the then issued Consolidated Share by way of a reduction of capital, so as to form New Shares with par value of HK\$0.01 each, the Company's issued share capital of HK\$1,875,960,800 will be reduced by HK\$1,857,201,192 to HK\$18,759,608.

### **Conditions of the Capital Reduction and the Sub-division**

The Capital Reduction and the Sub-division are subject to the satisfaction of the following conditions:

- (i) the Share Consolidation has become effective;
- (ii) the Shareholders' approval by way of special resolution at the EGM to be held to consider and, if thought fit, approve, among other things, the Capital Reduction and the Subdivision;
- (iii) approval of the Capital Reduction by the Court;
- (iv) compliance with any conditions which the Court may impose in relation to the Capital Reduction;
- (v) registration by the Registrar of Companies in the Cayman Islands of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law with respect to the Capital Reduction; and
- (vi) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Sub-division.

The Capital Reduction and the Sub-division will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reduction and the Sub-division at the EGM, and subject to the Share Consolidation has become effective, the legal advisors to the Company (as to Cayman Islands Law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and further announcement(s) will be made by the Company on the progress of the Capital Reduction and the Sub-division as and when appropriate.

## **Reasons for and Effects of the Capital Reduction and the Sub-division**

The Company had total Accumulated Losses of US\$123,625,488 as at 31 December 2015, such Accumulated Losses were mainly attributable to the loss from printed circuit board (“PCB”) business in prior years and loss from disposal of PCB business in 2008 and 2009.

The Company will remain unable to pay dividends or undertake any corporate exercise which requires the use of distributable reserves while such Accumulated Losses exist. Accordingly, the Board proposes that the resulting credit arising from the Capital Reduction be applied to offset the Accumulated Losses as at the effective date of the Capital Reduction with the balance of credit (if any) to be transferred to a capital reduction reserve account of the Company or other reserve account of the Company and be applied as a distributable reserve in accordance with all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate.

The proposal to set off the Accumulated Losses with the credit arising out of the Capital Reduction would put the Company in a position to pay dividends and/or undertake any corporate exercise which requires the use of distributable reserves. When the Capital Reduction becomes effective, the Company will have greater flexibility in undertaking corporate exercises and/or making decisions on its dividend policy, subject to the Company’s performance and when the Board considers that it is appropriate to do so in the future. Also, the Board considers that the Capital Reduction will give greater flexibility to the Company to raise funds through the issue of New Shares in the future given that the Company is not permitted to issue new Shares (without order of the Court) below their nominal value.

Save for the expenses incurred by the Company in relation to the Capital Reduction and the Sub-division, the Board considers that the implementation of the Capital Reduction and the Sub-division will not, in itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the shareholders. Further, the Capital Reduction does not involve the diminution of any liability in respect of any unpaid capital of the Company nor does it involve the repayment to the Shareholders of any paid-up capital of the Company. Accordingly, Shares held by the Shareholders will not be affected. The Board considers that the Capital Reduction and the Sub-division will not have any material adverse effect on the financial position of the Group.

Based on the reasons and the effects of the Capital Reduction as set out above, the Board considers that the Capital Reduction and the Sub-division are in the best interests of the Company and the Shareholders as a whole.

## **Application for Listing of the New Shares**

Application will be made by the Company to the Listing Committee of the Stock Exchange for granting the listing of and permission to deal in the New Shares arising from the Capital Reduction and the Sub-division.

Subject to the granting of the listing of and permission to deal in the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

## **EXPECTED TIMETABLE**

Set out below is the expected timetable for the implementation of the Share Consolidation, the change in board lot size, the Capital Reduction and the Sub-division. The timetable is subject to the results of the EGM. In addition, the events in relation to the Capital Reduction and the Sub-division are conditional on the approval from the Court. Dates or times specified in this announcement for the Capital Reduction and the Sub-division are indicative only and may be varied due to the timetable and the availability of the Court, additional time required for compliance with regulatory requirements in the Cayman Islands and/or with any requirements imposed by the Court or varied by the Company. The dates are therefore tentative. The Company will notify the Shareholders of any changes to the expected timetable by way of announcement(s) as and when appropriate.

Latest time for lodging form of proxy for the EGM ... 10:00 a.m. on Saturday, 18  
June 2016

Date of the EGM ..... 10:00 a.m. on Monday,  
20 June 2016

Announcement of poll results of the EGM..... Monday, 20 June 2016

Effective date of the Share Consolidation ..... Tuesday, 21 June 2016



Commencement of dealing in the  
Consolidated Shares ..... 9:00 a.m. on Tuesday,  
21 June 2016

Original counter for trading in the Existing  
Shares in board lot size of 40,000 Existing  
Shares in the form of existing share  
certificates temporarily closes ..... 9:00 a.m. on Tuesday,  
21 June 2016

Temporary counter for trading in the  
Consolidated Shares in board lot size of  
4,000 Consolidated Shares in the form  
of existing share certificates opens ..... 9:00 a.m. on Tuesday,  
21 June 2016

First day for free exchange of existing share  
certificates into new share certificates for  
the Consolidated Shares ..... 9:00 a.m. on Tuesday,  
21 June 2016

Original counter for trading in the Consolidated  
Shares in board lot size of 4,000 Consolidated  
Shares in the form of new share certificates  
for Consolidated Shares reopens ..... 9:00 a.m. on Wednesday,  
6 July 2016

Parallel trading in the Consolidated Shares in  
the form of new and existing share certificates  
commences ..... 9:00 a.m. on Wednesday,  
6 July 2016

Designated broker starts to stand in the  
market to provide matching services for  
the sale and purchase of odd lots of the  
Consolidated Shares ..... 9:00 a.m. on Wednesday,  
6 July 2016

Parallel trading in the Consolidated Shares  
in the form of new and existing share  
certificates ends ..... 4:00 p.m. on Tuesday,  
26 July 2016

Temporary counter for trading in board lot  
size of 4,000 Consolidated Shares in the  
form of existing share certificates closes ..... 4:00 p.m. on Tuesday,  
26 July 2016

Designated broker ceases to stand in the  
market to provide matching services for  
the sale and purchase odd lots of the  
Consolidated Shares ..... 4:00 p.m. on Tuesday,  
26 July 2016

Last day for free exchange of existing share  
certificates for new share certificates for  
the Consolidated Shares ..... 4:00 p.m. on Thursday,  
28 July 2016

Effective date of the Capital Reduction and  
the Sub-division ..... Wednesday, 26 October 2016

Commencement of dealing in the New Shares ..... 9:00 a.m. on Wednesday,  
26 October 2016

First day for free exchange of existing share  
certificates for the Consolidated Shares into  
new share certificates for the New Shares ..... 9:00 a.m. on Wednesday,  
26 October 2016

Last day for free exchange of existing share  
certificates for the Consolidated Shares into  
new share certificates for the New Shares ..... 4:00 p.m. on Friday,  
25 November 2016

## GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation, the Capital Reduction and the Sub-division. A circular containing, among other things, further details of the Share Consolidation; Capital Reduction and the Sub-division, together with a notice of the EGM will be despatched to the Shareholders on or before 18 May 2016. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

## DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Accumulated Losses”	accumulated realised losses of the Company standing in the audited accounts of the Company for the year ended 31 December 2015
“Articles of Association”	the articles of association of the Company adopted pursuant to a written resolution passed by the then sole Shareholder on 5 July 2005, as amended from time to time
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by reducing the par value of each of the then issued Consolidated Share from HK\$1.00 to HK\$0.01 by cancelling the paid up share capital to the extent of HK\$0.99 on each of the then issued Consolidated Share
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	CMMB Vision Holdings Limited 中國移動多媒體廣播控股有限公司, a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange

“Consolidated Share(s)”	ordinary share(s) with a par value of HK\$1.00 each in the share capital of the Company immediately after the Share Consolidation becoming effective but prior to the Capital Reduction and the Sub-division becoming effective
“Court”	The Grand Court of the Cayman Islands
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened to be held at Video Conferencing Room, Level 3, Core C, Cyberport 3, 100 Cyberport Road, Hong Kong at 10:00 a.m. on Monday, 20 June 2016
“Existing Share(s)”	ordinary share(s) with a par value of HK\$0.10 each in the share capital of the Company prior to the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company immediately after the Capital Reduction and the Sub-division becoming effective
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the New Share(s), as the case may be
“Shareholder(s)”	holder(s) of the Share(s)
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Sub-division” the proposed sub-division of each of the then authorized but unissued Consolidated Share into one hundred (100) unissued New Shares

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 11 May 2016

*As at the date of this 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.*