

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT — BUSINESS UPDATE

**Entered Strategic Agreement with China Telecom Corporation Ltd
To Develop Convergent Network Dedicated to Connected-Car Services**

1. Entered Strategic Agreement with China Telecom Corporation Ltd

The Company is pleased to announce that recently its China joint-venture Global Vision Media Technology Co Ltd (herein referred as “Global Vision”) has entered into a Strategic Cooperation Framework Agreement with China Telecom Corporation Limited (herein referred as “China Telecom”). Under the agreement, China Telecom will render its terrestrial 3G/LTE mobile network to combine with the Company’s L-band satellite broadcasting network to develop a convergent mobile delivery network (“converged network”) with dedicated technologies, multimedia services, and business models tailored to connected-cars and mobile users.

The convergent network combines the Company’s L-band satellite broadcasting network with China Telecom’s terrestrial mobile Internet network through the interface of NGB-W/S, China’s next-generation satellite broadcasting protocol, which will enable satellite’s vast geographical coverage, data delivery capacity, and cost-effectiveness to be integrated with terrestrial mobile Internet network’s interactivity, deep-coverage, and intelligent functions in providing optimized and holistic mobile multimedia entertainment and data services. Such a platform is especially suitable for connected-cars for their voracious needs for extensive geographical coverage, high mobility, large multimedia data download, and

interconnectivity. In other words, the converged network is a new Internet media consumption platform that can dramatically leapfrog traditional media delivery capability and vastly expand the Company's connected-car service in scale and scope and hence profit potential.

2. About China Telecom

China Telecom is a very large stated-owned telecommunications conglomerate and one of the three lead telecommunications operators in China as well as a top 500 enterprise in the world. It was founded in 2000 with registered capital of 220.4 billion Renminbi. Its assets are over 700 billion Renminbi, and annual revenues over 380 billion Renminbi. It is also an industry leader for integrated intelligent information service operator, providing services in mobile telecommunication, internet connectivity, information technology applications, fixed-line products, as well as satellite communication. China Telecom is the leader in connected-cars and a founding member of the Telematics Industry Applications Alliance (TIAA). In addition, it possesses large telecommunication networks operating over the "One-Belt-One-Road" countries.

3. Key Points of the Cooperation Agreement

- Jointly create a "converged network", develop technology, implement trials, and promote the network as an industry standard for commercialization: Both parties will jointly construct the converged network and carry out comprehensive technical and business trials to perfect its commercial readiness. Allying with TIAA both parties will promote the converged network-based digital mobile broadcasting as an industry standard for connected-car applications. Both parties will also facilitate the development of a supply-chain ecosystem dedicated to providing terminal devices and applications catering to the converged network.
- Integrate resources and capabilities to develop a converged multimedia broadcasting service platform: Global Vision will provide the respective satellite capabilities, media content and channel programming, while China Telecom will provide the respective Internet data center facilities, content distribution network (CDN), and ground mobile communication network, so that both parties can jointly form a converged multimedia network broadcasting service platform capable of providing unified broadcasting and Internet services for users.

- Jointly explore connected-car business models and deepen commercial collaboration: Through business trial and testing both parties will explore business models for deeper commercial collaboration. Both parties will collaborate in development of vehicle and mobile devices and applications to embolden the capability of the converged network. Both party will form a holistic connected-car service platform based on the converged network to offer unified media, information, entertainment, and data services and enrich user experience.
- Satellite station cooperation: Both parties will collaborate on satellite transponder operations, ground station and uplink operations, and other related satellite commercial opportunities.

4. Significance to the Company :

1. Building the world’s first “mobile broadcasting satellite + 4G” converged network chartering into holistic multimedia services, a model for extending globally: Pioneered in China, the converged network combines the extensive coverage and low-cost advantages of mobile broadcast satellite with the interactivity, deep coverage, and intelligent functions of the ground mobile Internet network, thus forming the world’s first unified satellite-terrestrial delivery infrastructure and service platform capable of providing holistic and powerful multimedia Internet services. It is an exemplary “Internet +” mobile consumption platform particularly suited to the diverse needs of new-generation connected-car services. The converged network will first be deployed in China and later extended to the other global market under the Company’s existing satellite coverage.
2. Breaking through broadcast limitations and expanding services capabilities to multiply Company future earning potential: Current connected-car services are mainly delivered through conventional mobile Internet network such as 3G/LTE, which carries mainly basic safety and non-data intensive information, and cannot effectively accommodate the exploding and data-intensive multimedia entertainment and big-data services due its high bandwidth cost and coverage constraint. Satellite broadcasting network on the other hand has extensive coverage at very low delivery cost, but its service is one-way. The converged network combines each other’s strengths and compensates each other’s weaknesses, thereby enabling interactive and holistic services and spurring new entries of numerous innovative media services to further enrich user experience and stimulate consumption, which will vastly expand Company’s service capabilities and hence earning potential.

3. Leveraging China Telecom’s resource and experience to speed up Company’s commercialization: China Telecom is the leading enterprise for telecommunication, Internet, and connected-car services. Collaborating with it would help the Company quickly advance the full range of business development efforts such as constructing “converged network”, formulating business models, accelerating device R&D, completing business trial and testing, procuring supply-chain ecosystem support, and emboldening connected-car service platform with innovative multimedia entertainment and big-data services, thereby advancing the market-readiness of Company’s product and services and propelling the Company to be the leading provider for new-generation connected-car services.

The Company thanks all personnel involved and shareholders for their unwavering support.

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

Hong Kong, 6 February 2017

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.