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**CMMB VISION HOLDINGS LIMITED**  
**中國移動多媒體廣播控股有限公司**

*(Cayman Islands Registered Company)*

**(Stock code: 471)**

**VOLUNTARY ANNOUNCEMENT**

**COMPLETION OF VERY SUBSTANTIAL ACQUISITION**  
**“SILKWAVE HOLDINGS”**

**Summary**

1. Completing the acquisition of new operating platform Silkwave Holdings, which is equipped with the world’s largest satellite mobile broadcasting network and full-fledged technology capabilities to provide next-generation connected-car multimedia services over China and One-Belt-One-Road.
2. Catalyzing the commercial deployment in China, where agreements have already been struck with telematic industry and leading OEM partners for installing Company’s M-Box multimedia device into future new cars as the industry standard to proliferate services in China’s car market with scalability; China produces 30 million new cars per year.
3. Strong revenues expected after commercial operation, with diversified revenue models including: M-Box activation fee, advertising, pay-on-demand, premium subscription, and value-added services.
4. Issuance of the Company’s convertible note for a principal amount of USD 96 million (equivalent to HKD 744.96 million) at conversion price of HKD 0.40 per share to pay part of the Acquisition.
5. The Company paid USD 240 million for the Silkwave Holdings stake which has estimated market-value of USD 850 million based on the Valuation Report included in the Company’s circular dated 31 March 2017 (on a pro-rata basis). The Valuation Report of 100% interest of Silkwave Holdings and its spectrum assets was valued at USD 4,254 million.

The Company is pleased to announce the successful completion of the Very Substantial Acquisition (“VSA”) for Silkwave Holdings (“Completion”) as approved by the shareholders at the EGM of the Company on 21 April 2017. Capitalised terms used herein, unless otherwise defined, shall have the meanings as those defined in the circular of the Company dated 31 March 2017 (the “Circular”).

### **The Very Substantial Acquisition**

- Silkwave Holdings owns the world’s largest and only mobile satellite broadcasting network of AsiaStar, 40 MHz of L-band spectrum, geo-synchronous orbit at 105E, and global uplink facilities in Brisbane and Beijing. The network can seamlessly cover and service the whole Asia (including China, Southeast Asia, and India) and its 4 billion people and 400 million cars.
- The purpose of the VSA is to develop a full-fledged business platform under the Company’s management control to effectively operate the massive satellite multimedia connected-car opportunities going forward and minimize the Company’s future capital outlay while maximizing its upside.
- The VSA called for the Company to acquire 20% of Silkwave Holdings, with a call option to acquire further 31% of Silkwave Holdings. In the meantime, the Company is given the management control over the Silkwave Holdings’ operations. Such an arrangement effectively allows the Company to have management control over Silkwave Holdings and entitle to its upside with minimum capital risk.
- In exchange, the Company would pay a consideration of USD 240 million, which is composed of: 1) USD 96 million in Company’s convertible notes with a conversion price at HKD 0.40 per share; 2) 49% equity stake in Global Vision, the Company’s China Joint-Venture valued at USD 50 million which is transferred into Silkwave Holdings; and 3) cash of USD 94 million.
- The market value of the 100% interest of Silkwave Holdings and its spectrum assets was valued at USD 4,254 million by an independent valuer in the Valuation Report included in the Company’s Circular dated 31 March 2017. The Company entered into the VSA with a deep discount of over 70% to market value in favour of the Company.

## **Significance to the Company:**

1. World's Largest Satellite Mobile Multimedia Network: The Completion enables the Company to develop and have management control on the world's largest and first satellite mobile broadcasting network, which through the Company's technology can converge with mobile Internet to form a vertically integrated service platform to operate new-generation connected-car multimedia services over China and One-Belt-One-Road markets with scalability and efficiency.
2. Catalyzing China Commercial Deployment Within The Year: Silkwave Holdings will bring together the various development efforts the Company has put in place over the years to crystalize into commercial services in China, which is expected within the year. Partnership agreements have been reached with multiple leading telematic industry and OEM partners for installing the Company's M-Box multimedia device into future new cars as industry standard so as to quickly proliferate services into China's car market. China produces 30 million new cars a year.
3. Considerable Revenue Streams Expected After Commercial Operation: With commercial launch, Silkwave Holdings will be able to provide unprecedented data-charge-free, ubiquitous, and high-quality mobile multimedia and data services to connected-cars, which include live video and audio broadcast, Internet download, smart-car big-data telematics, etc. Such services are expected to generate considerable revenues from activation fee, advertising, pay-on-demand, premium subscription, and value-added service, etc.
4. Substantially Reducing Company Financial Burden: The Completion allowed the Company with minimum capital outlay to acquire a full-fledged satellite multimedia operating platform that can shoulder future connected-car business development and its financial burden, hence significantly reducing Company's future capital commitment while at the same time maximizing Company's upside in Silkwave Holdings and turning the Company into a much more cost-effective investment holding company.

## **China Commercial Deployment**

China is the world's largest auto market, with 250 million cars increasing to 400 million within 10 years. The connected-car opportunity is considered as the next largest mobile Internet opportunity. The Completion has enabled the Company to effectively control a full-fledged operating platform that can quickly integrate the various efforts the Company has put in place to accelerate commercial service

deployment in China, such as the nationwide satellite-LTE converged network developed with China's leading telecom operators, the comprehensive ecosystem with Telematics Industry Applications Alliance, the partnerships with auto-OEMs for installing M-Box multimedia device into future new cars as the industry standard, and the successful completion of the nationwide trial network with 400 M-Box concept-cars and 1 million kilometers in road-test. The Silkwave Holdings' platform will be able to effectively galvanize these efforts and spur the necessary momentum to crystalize commercial deployment in China which is expected by the end of this year.

### **One-Belt-One-Road Development**

The Silkwave Holdings' network covers China, Southeast Asia, India, and parts of the Middle East; it is an unprecedented wireless information corridor over One-Belt-One-Road. With successful deployment in China and support of the ecosystem, Silkwave Holdings is expected to be able to replicate its services to other Asian regions with scalability and bring significant additional revenues to the Company.

### **Completion**

As disclosed in the Circular, the Company was expected to complete the Sale and Purchase Agreement in 2017 and also expected the relevant broadcasting licences and uplink permit in China may be obtained by Global Vision in 2018 and/or 2019. As further time is required to process and validate the technical trial results, including the data collection and analysis, the Acquisition was not completed in 2017.

As stated in the announcement of the Company dated 22 January 2018, the Group has conducted the road test with concept cars over 16 cities in China since May 2017 and has accumulated over 1 million kilometers in travelling distance and 87,936 hours in travelling time. Throughout the journey, the satellite coverage has been good and the programming delivery has been smooth, which marks the crucial step in the development and promotion of integrated connected-car multimedia services. With the validation of the above road test results, the board of directors of the Company considered that the Acquisition is appropriate to proceed to its Completion. As at the date of this announcement, all of the conditions precedent to the Sale and Purchase Agreement have been satisfied except for condition (iv) the relevant broadcasting licences and uplink permit or equivalent approval issued by the relevant Authority in China has not yet obtained. To avoid disruption of the business plan, the Company has waived the conditions precedent (iv) regarding obtaining all the required

licenses, permits and/or approvals. The Company has not encountered any significant difficulties or legal or regulatory impediments in obtaining the required licenses, permits and/or approvals, in order to complete the Acquisition.

The Group thanks its shareholders for their support and will report to shareholders on any significant new developments as soon as applicable.

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

Hong Kong, 29 May 2018

*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.*