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)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

The board (the "Board") of directors (the "Directors") of CMMB Vision Holdings Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2011 (the "Period") together with the comparative figures of 2010 as follows:-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2011

	NOTES	**Six months ended 30 June** **2011** *US$* *(unaudited)*	**2010** *US$* *(unaudited)* *(restated)*
Continuing operations			
Revenue		—	—
Other loss and income		(4,260)	187,776
Administrative expenses		(549,699)	(1,719,979)
Other expenses		—	(2,043,097)
Impairment loss on trade and other receivables, net		—	484,326
Finance costs		(73)	(14)
Loss for the period from continuing operations	5	(554,032)	(3,090,988)
Discontinued operations			
Loss for the period from discontinued operations	6	(5,848,328)	(4,000,764)
Loss for the period		(6,402,360)	(7,091,752)
Other comprehensive (expense) income			
Exchange differences arising on translation		(538,490)	33,336
Total comprehensive expense for the period		(6,940,850)	(7,058,416)
		US cents	**US cents**
Loss per share	8		
From continuing and discontinued operations			
- Basic and diluted		(0.19)	(0.26)
From continuing operations			
- Basic and diluted		(0.02)	(0.12)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

	NOTES	30 June 2011 US$	31 December 2010 US$
NON-CURRENT ASSETS			
Property, plant and equipment	9	14,933	15,669,442
Prepaid lease payments - non-current portion		—	703,693
Investment property		—	1,990,403
Available-for-sale investments		—	27,505
Deposits paid on acquisition of CMMB projects		9,737,535	9,540,116
Other receivables	10	1,049,959	1,015,874
		10,802,427	28,947,033
CURRENT ASSETS			
Inventories		—	1,192,921
Trade and other receivables	10	659,023	2,788,563
Amounts due from related companies		636,733	511,604
Prepaid lease payments - current portion		—	16,993
Bank balances and cash		205,482	3,957,006
		1,501,238	8,467,087
Assets classified as held for sale	6	18,372,359	—
		19,873,597	8,467,087

	NOTES	30 June 2011 US$	31 December 2010 US$
CURRENT LIABILITIES			
Trade and other payables	11	705,534	14,541,878
Amount due to a related company		—	56,853
Other borrowings		—	120,797
		705,534	14,719,528
Liabilities associated with assets classified as held for sale	6	47,902,946	—
		48,608,480	14,719,528
NET CURRENT LIABILITIES		(28,734,883)	(6,252,441)
		(17,932,456)	22,694,592
CAPITAL AND RESERVES			
Share capital		4,436,315	4,436,315
Share premium and reserves		(22,368,771)	(15,427,921)
		(17,932,456)	(10,991,606)
NON-CURRENT LIABILITIES			
Bank borrowings - due after one year		—	24,222,587
Other payables		—	9,463,611
		—	33,686,198
		(17,932,456)	22,694,592

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Share capital	Share premium	Merger reserve	Statutory reserve	Distributable reserve	Capital reserve	Share options reserve	Exchange reserve	Accumulated losses	Total
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
			(note i)	*(note ii)*	*(note iii)*	*(note iv)*				
As at 1 January 2010 (audited)	2,979,580	19,312,789	31,987,096	6,391,242	18,464,516	1,639,897	4,113,363	12,677,093	(105,904,204)	(8,338,628)
Exchange differences arising on translation	—	—	—	—	—	—	—	33,336	—	33,336
Loss for the period	—	—	—	—	—	—	—	—	(7,091,752)	(7,091,752)
Total comprehensive income (expense) for the period	—	—	—	—	—	—	—	33,336	(7,091,752)	(7,058,416)
Recognition of equity-settled share-based payments	—	—	—	—	—	—	2,582,830	—	—	2,582,830
Forfeiture of share options	—	—	—	—	—	—	(761,935)	—	761,935	—
Exercise of share options	7,226	175,398	—	—	—	—	(77,127)	—	—	105,497
Issue of shares	710,123	6,901,550	—	—	—	—	—	—	—	7,611,673
Transaction costs related to issue of shares and exercise of share options	—	(13,677)	—	—	—	—	—	—	—	(13,677)
As at 30 June 2010 (unaudited)	3,696,929	26,376,060	31,987,096	6,391,242	18,464,516	1,639,897	5,857,131	12,710,429	(112,234,021)	(5,110,721)
Exchange differences arising on translation	—	—	—	—	—	—	—	(579,512)	—	(579,512)
Loss for the period	—	—	—	—	—	—	—	—	(14,456,561)	(14,456,561)
Total comprehensive expense for the period	—	—	—	—	—	—	—	(579,512)	(14,456,561)	(15,036,073)
Recognition of equity-settled share-based payments	—	—	—	—	—	—	4,304	—	—	4,304
Forfeiture of share options	—	—	—	—	—	—	(60,766)	—	60,766	—
Issue of shares	739,386	8,419,754	—	—	—	—	—	—	—	9,159,140
Transaction costs related to issue of shares and exercise of share options	—	(8,256)	—	—	—	—	—	—	—	(8,256)
As at 31 December 2010 (audited)	4,436,315	34,787,558	31,987,096	6,391,242	18,464,516	1,639,897	5,800,669	12,130,917	(126,629,816)	(10,991,606)
Exchange differences arising on translation	—	—	—	—	—	—	—	(538,490)	—	(538,490)
Loss for the period	—	—	—	—	—	—	—	—	(6,402,360)	(6,402,360)
Total comprehensive expense for the period	—	—	—	—	—	—	—	(538,490)	(6,402,360)	(6,940,850)
Forfeiture of share options	—	—	—	—	—	—	(24,618)	—	24,618	—
As at 30 June 2011 (unaudited)	4,436,315	34,787,558	31,987,096	6,391,242	18,464,516	1,639,897	5,776,051	11,592,427	(133,007,558)	(17,932,456)

Notes:

(i) The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of Global Technology International Ltd., a subsidiary of the Company acquired pursuant to a group reorganisation on 5 July 2005.

(ii) Pursuant to the relevant regulations applicable to foreign investment enterprises established in the People's Republic of China (the "PRC"), certain PRC subsidiaries of the Company are required to transfer certain percent of its profit after taxation to the statutory reserve. The balances of the statutory reserve cannot be reduced except where approval is obtained from the relevant PRC authority to offset accumulated losses or increase capital.

(iii) On 19 January 2009, an extraordinary general meeting of the Company was held and the resolutions of the reorganisation of the share capital of the Company involving reduction of the authorised share capital and issued share capital by reducing the nominal value of each share in issue from HK$0.10 to HK$0.01 and cancelling paid-up capital to the extent of HK$0.09 for each issue share and the sub-division of each authorised and unissued shares of HK$0.10 each into 10 unissued shares of HK$0.01 each (the "Capital Reorganisation") were approved. The capital reduction amount as a result of the Capital Reorganisation was transferred to a distributable reserve account of the Company.

(iv) Capital reserve represents of the capital contribution from the controlling shareholder of the Company through the shares granted by the controlling shareholders to the employees of the Company during the year ended 31 December 2006 and 2008.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of a loss of US$6,402,360 for the six months ended 30 June 2011 and the fact that the Group's liabilities exceeded its assets as at 30 June 2011 by US$17,932,456.

In the opinion of the directors of the Company, the Group should be able to continue as a going concern in the coming year taking into consideration of the measures to improve its financial position, but are not limited to, the following:

(a) On 30 March 2011, the Company entered into a sale and purchase agreement in connection with the disposal of subsidiaries to a related company which is controlled by Mr. Wong Chau Chi, Charles, a director and a shareholder of the Company. The disposed subsidiaries are principally engaged in its loss making manufacturing of rigid printed circuit boards and rigid printed circuit boards assembly ("PCB") operations. As at 30 June 2011, the PCB operations recorded net liabilities of US$29,530,587 as set out in note 6. If the disposal of PCB manufacturing operations had been completed as at 30 June 2011, the Group would have recorded net assets of US$11,598,131 and net current assets of US$795,704 respectively. The disposal which is subject to the approval of the shareholders of the Company will be effected in order to improve the Group's financial position and minimise net operating cash outflows from these loss-making segments to retain cash flows for the expansion of the Group's China Mobile Multimedia Broadcasting ("CMMB") business. The directors of the Company expect that the shareholders' approval of the above disposal will be obtained soon after the expected issue of the Circular in connection with such disposal in September 2011 as disclosed in the announcement dated 15 August 2011.

(b) In 2010, the Group entered into a strategic business development agreement with Motorola Inc. to jointly develop and promote CMMB technology in markets around the world. Pursuant to the agreement, the Group and Motorola, Inc. will jointly globalise the adoption of CMMB technology to develop the platform needed to attract mobile network operators and boardcasters to launch CMMB-mobile video services in their respective markets, and to establish franchise operations for CMMB technology. On 15 March 2011, the Group, together with its partners in the United States of America (the "USA"), had successfully demonstrated live CMMB Mobile TV signals for the first time over cellular network frequencies from a cellular tower. The demonstration signified the Group's first phase in developing CMMB and launching a commercial trial in the USA market.

(c) On 2 September 2010, the Group contracted for an acquisition of two domestic companies in the People's Republic of China (the "PRC") which are principally engaged in CMMB business to the condensed consolidated financial statements. The investee companies had entered into cooperation agreements with domestic institutions to establish and operate provincial CMMB interactive multimedia channels in Liaoning, Yunnan and certain other provinces in the PRC.

(d) During the period, the Group continued its current negotiation on potential acquisition and development of other CMMB projects, including entering into sale and purchase agreements dated 24 December 2010 and supplemental agreement dated 16 February 2011 to acquire 49% and 16% of the issued share capital of CMMB International Limited ("CMMB International") at an aggregate consideration of US$6,728,129, respectively from an independent third party and from Chi Capital Holdings Limited, a company which is controlled by Mr. Wong Chan Chi, Charles, a director and shareholder of the Company as detailed in a circular issued by the Company on 15 April 2011. Upon completion of the acquisition of CMMB International, the Group can provide turnkey solutions to develop and promote CMMB technology and business platform in markets outside of the PRC and participate in service operations through local partnerships in oversea markets to build a global CMMB franchise and the Company intends to settle the acquisition through issue of shares in order to minimise its capital cost. The directors of the Company expect that the acquisition and development of these new CMMB projects will be completed by the end of 2011.

(e) As set out in note 3 to the condensed consolidated financial statements, the Group's business model has been shifted from a PCB manufacturer/trader to a CMMB services provider. The new business operation will require less capital investment in production facilities than manufacturing does which will help to improve the overall profit margin of the Group.

(f) The Group plans to issue new capitals to raise additional funds to improve its liquidity position.

Based on the aforesaid factors, the directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010.

In the current interim period, the Group has applied, for the first time, the following new or revised standards and interpretations ("new or revised HKFRSs") issued by the HKICPA.

- Improvements to HKFRSs issued in 2010

- HKAS 24 (as revised in 2009) Related Party Disclosure

- Amendments to HKAS 32 Classification of Rights Issues

- Amendments to HK(IFRIC) - Int 14 Prepayments of a Minimum Funding Requirement

- HK(IFRIC) - Int 19 Extinguishing Financial Liabilities with Equity Instruments.

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosures of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[2]
HKAS 19 (Revised 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]

[1] Effective for annual periods beginning on or after 1 January 2013.

[2] Effective for annual periods beginning on or after 1 July 2012.

The five new or revised standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these new or revised standards are applied early at the same time.

The directors of the Company anticipate that the application of these new or revised standards will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

In prior periods, the Group involved in manufacturing and sale of rigid printed circuit boards; and rigid printed circuit board assembly. These manufacturing operations were discontinued with effect from 30 March 2011 to realign the Group's business focus and resources in the CMMB business in line with the Group's latest business strategy (see note 6).

Since the discontinuation of PCB operations, the Group's chief operating decision makers, i.e. the Company's executive directors, review the Group's loss for the period and total assets from the continuing operations as a whole, which mainly represent CMMB business, for resource allocation and performance assessment. Accordingly, no further segment information was presented. CMMB business represents the development and investment in mobile multimedia broadcasting projects.

4. TAXATION

No provision for Hong Kong Profits Tax and Taiwan Income Tax has been made as the Group's profit neither arises in, nor derived from Hong Kong and Taiwan.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the subsidiaries of the Company which established in the PRC is 25% from 1 January 2008 onward. No provision for PRC income tax has been made in the condensed consolidated financial statements as all of the PRC subsidiaries did not have taxable income for both periods.

The EIT Law imposes withholding tax upon distribution of the profits earned by the PRC subsidiaries on or after 1 January 2008 to their shareholders. No deferred tax liability has been recognised in respect of such withholding tax due to absence of undistributed profits for both periods.

5. LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS

Loss for the period from continuing operations has been arrived at after charging (crediting):

	Six months ended 30 June	
	2011	**2010**
	US$	*US$*
	(unaudited)	*(unaudited)*
		(restated)
Depreciation of property, plant and equipment	2,490	2,490
Interest on bank and other borrowings wholly repayable within five years	73	14
Share-based payments expenses to directors and employees	—	539,733
Share-based payments expense to consultants (included in other expenses)	—	2,043,097
Bank interest income	(40)	(8,145)

6. DISCONTINUED OPERATIONS/DISPOSAL GROUP HELD FOR SALE

On 30 March 2011, the Company entered into a sale and purchase agreement in connection with the disposal of the entire interest in Global Technology International Limited ("GTI"), and its subsidiaries (collectively referred to as the "Disposal Group") at a consideration of HK$1,000 (or equivalent to US$129), to a related company which is controlled by Mr. Wong Chau Chi, Charles, a director and a shareholder of the Company.

The disposal is subject to the approval of the shareholders of the Company and the directors of the Company expect that the approval will be obtained in September 2011 as disclosed in the announcement dated 15 August 2011. The Group's manufacturing of rigid printed circuit board and rigid printed circuit board assembly operations are disclose as discontinued operations. The comparative figures related to discontinued operations have been re-presented.

The assets and liabilities attributable to the Disposal Group have been classified as a disposal group held for sale and are separately presented in the condensed consolidated statement of financial position.

The results of the discontinued operations for both periods, which have been included in the condensed consolidated statement of comprehensive income, were as follows:

	Six months ended 30 June	
	2011	**2010**
	US$	*US$*
	(unaudited)	*(unaudited)*
		(restated)
Revenue	1,247,000	5,897,164
Cost of sales	(4,202,289)	(8,715,488)
Other income	202,688	475,449
Distribution and selling expenses	(96,900)	(138,769)
Administrative expenses	(1,447,054)	(1,483,446)
Impairment loss on trade and other receivables, net (recognised) reversed	(823,432)	710,438
Gain on disposal on an available-for-sale investment	—	2,755
Gain (loss) on disposal on property, plant and equipment	202,470	(9,618)
Finance costs	(930,811)	(739,249)
Loss for the period	(5,848,328)	(4,000,764)

Loss for the period from discontinued operations include:

	Six months ended 30 June	
	2011	**2010**
	US$	*US$*
	(unaudited)	*(unaudited)*
		(restated)
Depreciation of property, plant and equipment	1,065,228	1,673,859
Depreciation of investment property	44,986	—
Interest on bank and other borrowings wholly repayable within five years	930,811	739,249
Release of prepaid lease payments	5,094	228,049
Write-down (reversal of write-down) of inventories (note (i))	92,690	(2,000,923)
Bank interest income	(2,381)	(50)

During the period, the discontinued operations paid US$2,427,107 (1.1.2010 to 30.6.2010: US$4,013,327) in respect of the Group's operating activities, paid US$20,174 (1.1.2010 to 30.6.2010: received US$3,616,574) in respect of investing activities and received US$392,493 (1.1.2010 to 30.6.2010: US$104,411) in respect of financing activities.

The major classes of assets and liabilities of the Disposed Group as at 30 June 2011, which have been presented separately in the condensed consolidated statement of financial position, are as follows:

	30 June 2011
	US$
Property, plant and equipment	14,918,661
Prepaid lease payments	732,366
Investment property	1,991,419
Available-for-sale investments	28,148
Trade and other receivables (note 10)	639,286
Bank balances and cash	62,479
Total assets classified as held for sale	18,372,359
Trade and other payables (note 11)	22,526,615
Amount due to a related company	58,181
Other borrowings	630,449
Bank borrowings	24,687,701
Total liabilities associated with assets classified as held for sale	47,902,946
Intragroup balances due from the Disposal Group to other entities in the Group (Note (ii))	12,706,026
Carrying amount of the Disposal Group	(42,236,613)

Notes:

(i) During the six months ended 30 June 2011, as the carrying amounts of certain inventories exceeds their net realizable values. As a result, a write-down of US$92,690 had been recognised.

During the six months ended 30 June 2010, certain inventories previously written down to their net realisable values were subsequently sold at selling prices higher than their carrying amounts. As a result, reversals of write down of inventories of US$2,000,923 has been recognised.

(ii) The balances continue to be repayable by the Disposal Group after the disposal.

7. DIVIDENDS

No dividends were paid, declared or proposed during both reporting periods.

8. BASIC AND DILUTED LOSS PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted loss per share attributed to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2011	**2010**
	US$	*US$*
	(unaudited)	*(unaudited)*
Loss for the period for the purposes of basic and diluted loss per share	(6,402,360)	(7,091,752)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	3,419,148,729	2,683,411,077

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2011	**2010**
	US$	*US$*
	(unaudited)	*(unaudited)*
Loss for the period attributable to owners of the Company	(6,402,360)	(7,091,752)
Less: loss for the period from discontinued operations	5,848,328	4,000,764
Loss for the period for the purposes of basic and diluted loss per share from continuing operations	(554,032)	(3,090,988)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise of share options would result in decrease in loss per share.

From discontinued operations

Basic and diluted loss per share from the discontinued operations is US0.17 cents (1.1.2010 to 30.6.2010: US0.14 cents) per share, based on the loss for the period from the discontinued operations of US$5,848,328 (1.1.2010 to 30.6.2010: US$4,000,764) and the denominators detailed above for both basic and diluted loss per share.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2011, the Group disposed of certain plant and machinery with a carrying amount of US$27,939 for offset with other payable of US$230,409, resulting in a gain on disposal of US$202,470.

During the period ended 30 June 2010, the Group had written off certain plant and machinery with a carrying amount of US$9,618.

In addition, the Group spent approximately US$23,506 (1.1.2010 to 30.6.2010: US$164,000) as additions to machinery and equipment in the PRC.

10. TRADE AND OTHER RECEIVABLES

The Group generally allows an average credit period ranged from 30 days to 150 days to its trade customers. As at 30 June 2011, trade receivables and other receivables of US$10,534 and US$628,752 have been classified as part of the disposal group held for sale, respectively, as set out in note 6.

The following is an analysis of trade receivables by age, presented based on the invoice date. The analysis below included those classified as part of a disposal group held for sale, net of allowance for doubtful debts.

	30 June 2011 *US$* *(unaudited)*	**31 December 2010** *US$* *(audited)*
Trade receivables:		
31 - 60 days	—	464,460
61 - 90 days	—	584,840
91 - 120 days	544,673	4,020
Over 120 days	10,534	196,294
	555,207	1,249,614
Other receivables	743,102	1,538,949
	1,298,309	2,788,563
Less: Trade and other receivables classified as part of a disposal group held for sale (note 6)	(639,286)	—
	659,023	2,788,563

As at 30 June 2011, other receivables included in non-current assets represented an advance to 北京富學傳媒文化有限公司 of US$1,049,959 (2010: US$1,015,874) which is interest free, unsecured and repayable on demand. The directors of the Company consider that the amount will not be repaid within twelve months after the end of the reporting period.

11. TRADE AND OTHER PAYABLES

As at 30 June 2011, trade payables and other payables of US$5,664,936 and US$16,861,679 have been classified as part of the disposal group held for sale, respectively, as set out in note 6.

The following is an analysis of trade payables by age, presented based on the invoice date. The analysis below includes those classified as part of a disposal group classified as held for sale.

	30 June 2011	**31 December 2010**
	US$	*US$*
	(unaudited)	*(audited)*
Trade payables:		
0 - 90 days	—	4,391,329
91 - 120 days	121,082	275,423
121 - 180 days	369,218	546,533
181 - 365 days	1,444,051	182,445
Over 365 days	3,730,585	3,164,133
	5,664,936	8,559,863
Other payables	17,567,213	5,982,015
	23,232,149	14,541,878
Less: Trade and other payables classified as part of a disposal group held for sale (note 6)	(22,526,615)	—
	705,534	14,541,878

12. MATERIAL LITIGATION

As at 30 June 2011, a subsidiary of the Company have been named as defendants in several PRC court actions in respect of default payment of payable to suppliers and creditors for an aggregate amount of approximately US$3,166,000 (31.12.2010: US$1,952,000). The claimed amounts were fully provided in the condensed consolidated financial statements and included in trade and other payables as part of a disposal group held for sale.

REVIEW OF OPERATIONS/BUSINESS

The principal activity of the Company is investment holding whilst its subsidiaries are mainly engaged in manufacture and trading of printed circuit boards and assembly.

During the Period, the Group did not have revenue for continuing operations. The Company is going to dispose its subsidiaries which are principally engaged in its loss making manufacturing of PCB operations. Further details are disclosed in note1(a) to the condensed consolidated financial statements of the Group.

The Company has been pursuing opportunities arising from China's new policy in support of 3-Way Network Convergence (television, telecom and internet) and, in particular, has been focused on developing mobile television and interactive multimedia business based on the China Mobile Multimedia Broadcasting ("CMMB") standards. The Company's goal is to develop into a mobile TV multimedia company, providing CMMB-based services, solutions, and innovations in China and in other markets around the world.

CMMB is China home grown mobile TV technology standard that provides terrestrial and satellite broadcast transmission to mobile devices, (e.g. smart-phones, car-mount TVs, GPS, PC TVs, etc.) with accompanying interactive multi-media services. The standard's principal funder is Dr. Hui Liu, the vice-chairman of the Company. The China Broadcasting Corporation, under the State Administration of Radio, Film and Television ("SARFT") commenced commercial CMMB services in 2010 and already operates the world's largest mobile television broadcasting network covering over 300 cities within more than 500 million inhabitants.

CMMB is a key driver for China's 3-Way Network Convergence. China Mobile, the world's largest mobile networks operator, is preparing to roll-out its convergence TD-CMMB services, which packages TD-SDMA 3G voice, data and internet services with CMMB Mobile TV. The service is expected to commence in 2010 and with projected subscribers reaching well over 100 million within a few years.

FINANCIAL REVIEW

For the Period, the Group recorded loss for the period of approximately US$6.4 million as compared to loss for the period approximately US$7.1 million, representing a decrease of approximately 9.9%. Loss per share was approximately US0.19 cents (six months ended 30 June 2010: approximately US0.26 cents) and net liabilities per share of the Company was approximately US0.52 cents (31 December 2010: approximately US0.32 cents).

Turnover and gross loss margin

For the Period, the Group did not have revenue and gross profit for continuing operations and it recorded loss for the Period of approximately US$6.4 million as compared to loss of approximately US7.1 million for the six months ended 30 June 2010.

Operating expenses

During the Period, the Group's administrative expenses decreased by 70.6% to approximately US$0.5 million (six months ended 30 June 2010: approximately US$1.7 million).

INTERIM DIVIDEND

The Board does not recommend declare any interim dividend to the shareholders of the Company for the Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2011, the Group had shareholders' deficits of approximately US$17.9 million. Current assets (excluded assets classified as held for sale) amounted to approximately US$1.5 million. It mainly comprises bank balances and cash of approximately US$0.2 million and trade and other receivables of approximately US$0.7 million. Current liabilities (excluded liabilities directly associated with assets classified as held for sale) amounted to approximately US$0.7 million. It mainly comprises trade and other payables of approximately US$0.7 million.

As at 30 June 2011, the Group's current ratio (excluded assets classified as held for sale and liabilities directly associated with assets classified as held for sale) was 2.1 (31 December 2010: 0.6) and the gearing ratio (a ratio of total loans to total assets) was Nil (31 December 2010: 64.7%).

FOREIGN EXCHANGE EXPOSURE

For the Period, most assets, liabilities and transactions of the Group are denominated in Renminbi ("RMB"), Hong Kong Dollars ("HK$") and US$. The management believes that foreign exchange risk does not affect the Group since the sales and purchases in RMB substantially hedged the risks of the transactions in foreign currency and the Group did not make any other hedging arrangement during the Period.

SEGMENT INFORMATION

Details of segment information of the Group for the Period are set out in note 3 to the condensed consolidated financial statements.

EMPLOYEE BENEFITS

For the Period, the average number of employees of the Group was approximately 100 (six months ended 30 June 2010: approximately 500), and the Group's staff costs amount to approximately US$464,000 (six months ended 30 June 2010: approximately US$1.1 million). The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice. During the Period, the Company has not granted any share options to Directors and employees of the Group (six months ended 30 June 2010: 56,455,000 share options) under the share option scheme of the Company adopted on 5 July 2005.

MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENT

On 24 December 2010, the Company has entered into the sale and purchase agreements with Chi Capital Holdings Limited ("Chi Capital") and Sky Rise Technology Limited ("Skyrise") respectively; and further on 16 February 2011, the Company entered into the supplemental agreement with Chi Capital, pursuant to the aforesaid agreements and supplemental agreement 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, 16% and 49% interest in CMMB International Limited ("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.

For the above acquisitions, the Company will paid to Chi Capital and Skyrise by way of issuing the shares ("Shares") of the Company at the issue price of HK$0.140 per share, of which, 91,680,000 new Shares will be issued to Chi Capital and 280,770,000 new Shares will be issued to Skyrise, credited as fully paid. The above acquisitions were not yet completed during the Period.

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.

Save as disclosed above, the Group did not have any material acquisition or disposals of subsidiaries or associates.

CHARGE ON ASSETS

As at 30 June 2011, pledges of the Group's properties and prepaid lease payments amounted to approximately 16.9 million and US$0.7 million respectively (31 December 2010: approximately US$17.5 million and US$0.7 million respectively) to secure its bank borrowings.

CONTINGENT LIABILITIES

As at 30 June 2011, neither the Group nor the Company has any significant contingent liabilities (31 December 2010: Nil).

PROSPECTS

The Group is currently transforming from a printed circuit board maker to a mobile multimedia technology and service provider through a series of restructuring, divestments and acquisitions, which are in their final phases in making the Group a dedicated operator in delivering mobile and wireless video and Internet data services.

The Group is developing to be a leading next generation mobile multimedia service provider. It addresses the rapidly growing demand for mobile and wireless video and internet content downloads with a very low cost and efficient solution based on the China-developed CMMB multicast technology. Consumers with untethered CMMB-enabled devices such as handsets, netbooks, MP4s, dongles, GPS, and LED panels can receive virtually unlimited and instant mobile video and Internet downloads anytime anywhere deliverable through a ubiquitous terrestrial and satellite network.

Developed by the SARFT of the People's Republic of China ("PRC") with collaboration from the United States of America, CMMB is one of the most advanced digital broadcasting (multicast) technologies invented in the 21 Century that enables mobile television ("TV") delivery and data delivery through Internet by the Internet Protocol ("IP data"). It is Orthogonal frequency-division multiplexing ("OFDM") based, and can readily interact with other OFDM technologies such as third generation mobile technology 3G, fourth generation mobile technology ("4G") based on Institute of Electrical and Electronics Engineers standards 802.16(e) ("WiMax") and 4G Long Term Evolution ("4G LTE"). The key feature of CMMB is that it can deliver streaming live mobile video and push-IP data in a massive quantity and instant speed simultaneously to an unlimited number of mobile users anytime anywhere at very low cost. CMMB has been widely deployed over 330 Chinese cities with the support of world's largest mobile network and supply-chain ecosystem.

The Group’s main business will apply the CMMB technology to address the growing bottleneck caused by video and Internet data content distribution, which can no longer be accommodated by the conventional unicast — based mobile communication technologies. In China, its goal is to become a leading CMMB service provider. Globally, its goal is to promote and develop CMMB by deploying and operating CMMB-based networks and services in different countries and create a global multimedia franchise.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the Period, the Company has adopted a code of conduct regarding the Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code throughout the Period and all the Directors confirmed that they have fully complied with the required standard set out in the Model Code during the Period.

CODE ON CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (“CG Code”) contained in Appendix 14 to the Listing Rules. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

During the Period, the Company has fully complied with the requirements under the CG Code except for the deviation from Code Provision A.2.1 of the CG Code. The Company had deviated from the Code Provision A.2.1 of CG Code as the roles of chairman and chief executive officer of the Company were not separate. With effect on 19 May 2008, Mr. Wong Chau Chi (“Mr. Wong”) had been re-designated as the chairman of the Company and Mr. Wong also remains as the chief executive officer of the Company. According to the Code Provision A.2.1 of the CG Code, the roles of a chairman and a chief executive officer should be separate and should not be performed by the same individual. Given Mr. Wong has had extensive experience in the business of the Group and has performed satisfactorily since his joining of the Company in year 2007, particularly in soliciting for possible new business opportunities and deducing the overall strategic plan for the future development of the Company, the Board considers that it would benefit the Group if Mr. Wong is also in charge of overseeing the Company's operations as its chairman. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will regularly review the effectiveness of this arrangement.

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

On 31 May 2011, the Board has re-designated Dr. Li Jun from a non-executive Director to an independent non-executive Director and he was also appointed as the member of the audit committee ("Audit Committee") of the Company with effect from the same date. Moreover, Mr. Yu Kam Kee Lawrence has resigned as an independent non-executive Director and member of the Audit Committee with effective on 1 June 2011.

The Audit Committee was established by the Company on 5 July 2005 and it has adopted new written terms in order to comply with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls. The Audit Committee comprises Mr. Shan Li and Dr. Li Jun, being independent non-executive Directors and Mr. Chou Tsan-Hsiung, a non-executive Director. Currently, Mr. Shan Li is the chairman of the Audit Committee.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed, with the management, the accounting principles and policies, audit, internal controls and financial reporting adopted by the Group, and the unaudited interim financial information for the Period and recommended its adoption by the Board. In addition, the Company's auditor, Deloitte Touche Tohmatsu has reviewed the unaudited interim financial information for the Period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Extract from the report on review of interim financial information by the Company's independent auditor:

"**Basis for qualified conclusion**

Valuation of forward contract

The Group entered into an equity transfer agreement pursuant to which the Company (or its nominee) will acquire interests in China Mobile Multimedia Broadcasting

(“CMMB”) projects through the acquisition of 30% equity interest in interest in 北京富學傳媒文化有限公司 and 30% equity interest in 北京德神傳動廣告有限責任公司 (the “Transaction”) at a future date. Included in the condensed consolidated statements of financial position as at 30 June 2011 were deposits paid in respect of the Transaction with an aggregate carrying amount of US$9,737,535. As at 30 June 2011, the agreement constitutes a forward contract to acquire investments in associates within the scope of Hong Kong Accounting Standard 39 “Financial Instruments: Recognition and Measurement” issued by the Hong Kong Institute of Certified Public Accountants which requires that it is accounted for at fair value on initial recognition and at the end of each reporting period. However, in the absence of an appropriate valuation, the directors consider that the forward contract cannot be reliably measured. We were therefore unable to satisfy ourselves as to the fair value of the forward contracts as at 30 June 2011 and its impact on the interim financial information. Any adjustments found to be necessary would affect the Group’s net assets as at 30 June 2011 and the Group’s loss for the six months then ended.

Except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Emphasis of matter

Without further qualifying our conclusion, we draw attention to note 1 to the interim financial information which indicates that the Group incurred a loss of US$6,402,360 during the six months ended 30 June 2011 and as of that date, the Group’s liabilities exceeded its assets by US$17,932,456. As further detailed in note 1 to the condensed consolidated financial statements, the Group has identified measures to improve its financial position, certain of which have not yet been implemented. The Group’s ability to continue as a going concern is dependent on the successful implementation of these measures. These conditions therefore indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern.”

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

Hong Kong, 31 August 2011

As at the date of 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.