



CMMB  
VISION

**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)*  
*(於開曼群島註冊成立之有限公司)*

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**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)

14 January 2022

*To the Independent Shareholders and Optionholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY**



**FOR AND ON BEHALF OF CHI CAPITAL HOLDINGS LTD  
TO ACQUIRE ALL THE ISSUED SHARES OF  
CMMB VISION HOLDINGS LIMITED AND FOR THE CANCELLATION  
OF ALL THE OUTSTANDING OPTIONS OF CMMB VISION HOLDINGS  
LIMITED (OTHER THAN THOSE ALREADY OWNED BY THE  
OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement in relation to, *inter alia*, the Offers.

On 26 November 2021 (after trading hours of the Stock Exchange), the Company has received a conversion notice from the Offeror for the exercise of the conversion rights attached to the Convertible Notes to exercise a total of 108,571,428 Partial Conversion Shares at HK\$0.35 per Conversion Share. The 108,571,428 Partial Conversion Shares have been issued to the Offeror on 30 November 2021. Furthermore, on 1 December 2021, the Company was also informed by the Offeror before trading hours of the Stock Exchange that the Offeror has purchased on the market an aggregate of 103,428,000 Sale Shares, representing approximately 21.58% of the total issued share capital of the Company as at the date of the Joint Announcement, through block trade transactions on the Stock Exchange during the pre-market opening session on 1 December 2021 at HK\$0.40 per Sale Share and completion took place simultaneously.

### **MANDATORY UNCONDITIONAL CASH OFFERS**

Immediately prior to the Partial Conversion and the Completion, the Offeror and the Offeror's Concert Parties owned (i) an aggregate of 33,429,268 Shares, representing approximately 9.02% of the total issued share capital of the Company immediately before the allotment and issue of the Partial Conversion Shares; (ii) 270,000 Options; and (iii) the Convertible Notes. Immediately after the Partial Conversion, the Completion and as at the Latest Practicable Date, the Offeror and the Offeror's Concert Parties are in aggregate interested in (i) 245,428,696 Shares, representing approximately 51.20% of the total issued share capital of the Company as at the date of the Latest Practicable Date; (ii) 270,000 Options; and (iii) the Convertible Notes in the outstanding amount of US\$60,115,681.

In accordance with Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for the Offer Shares and the Offer Options, being all the issued Shares and outstanding Options (other than those Shares and Options already owned by the Offeror and the Offeror's Concert Parties).

#### **Principal terms of the Share Offer**

Kingston Securities is on behalf of the Offeror and in compliance with the Takeovers Code, making the Share Offer to acquire all the Offer Shares on the terms to be set out in this Composite Document on the following basis:

For each Offer Share	HK\$0.40 in cash
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The Share Offer Price of HK\$0.40 per Offer Share is equal to the purchase price per Sale Share paid by the Offeror under the Purchases.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all encumbrances and together with all rights attaching thereto, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Share Offer is made, being the date of the Composite Document.

The Share Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

### **Comparison of value**

The Share Offer Price of HK\$0.40 per Offer Share represents:

- (i) a discount of 50.00% to the closing price of HK\$0.800 per Share quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 13.98% to the closing price of HK\$0.465 per Share quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 5.26% over the closing price of HK\$0.38 per Share quoted on the Stock Exchange on the Last Full Trading Day;
- (iv) a premium of approximately 3.90% over the average of the closing prices quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Full Trading Day of approximately HK\$0.385 per Share;
- (v) a premium of approximately 0.76% over the average of the closing prices quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Full Trading Day of approximately HK\$0.397 per Share;
- (vi) a discount of approximately 3.19% to the average of the closing prices quoted on the Stock Exchange for the thirty consecutive trading days immediately prior to and including the Last Full Trading Day of approximately HK\$0.413 per Share;
- (vii) a discount of approximately 76.77% to the audited consolidated net assets attributable to the Shareholders per Share of approximately HK\$1.7220 as at 31 December 2020, calculated based on the audited consolidated net assets attributable to the Shareholders of approximately US\$106,103,000 (equivalent to approximately HK\$825,481,340) as at 31 December 2020 and 479,374,860 Shares in issue as at the Latest Practicable Date; and
- (viii) a discount of approximately 73.03% to the unaudited consolidated net assets attributable to the Shareholders per Share of approximately HK\$1.4833 as at 30 June 2021, calculated based on the unaudited consolidated net assets attributable to the Shareholders of approximately US\$91,398,000 (equivalent to approximately HK\$711,076,440) as at 30 June 2021 and 479,374,860 Shares in issue as at the Latest Practicable Date.

### **Highest and lowest Share prices**

During the Relevant Period:

- (i) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.830 per Share on 5 January 2022; and
- (ii) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.228 per Share on 8 September 2021.

### **Principal terms of the Option Offer**

Kingston Securities is, on behalf of the Offeror and in compliance with the Takeovers Code, making the Option Offer to the Optionholders (other than those Options already owned by the Offeror and the Offeror's Concert Parties) to cancel all outstanding Options. Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise prices of the Offer Options and the Share Offer Price. Under the Option Offer, since the exercise prices of the Offer Options, being HK\$0.30 and HK\$0.275, are below the Share Offer Price of HK\$0.40, the Offer Options are in-the-money and the Option Offer Prices are set at the see-through prices of HK\$0.10 and HK\$0.125 respectively.

For each of the 384,200 Offer Options with an exercise price of HK\$0.30	HK\$0.100 in cash
For each of the 1,445,000 Offer Options with an exercise price of HK\$0.275	HK\$0.125 in cash

The Option Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

Further details regarding the Offers, including terms and procedures for acceptance of the Offers are set out in the "Letter from Kingston Securities" of this Composite Document and "Further Terms and Procedures for Acceptance of the Offers" as set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

### **Securities of the Company**

As at the Latest Practicable Date, the Company has (i) 479,374,860 Shares in issue, (ii) 2,099,200 outstanding Options; and (iii) the Convertible Notes in outstanding amount of US\$60,115,681.

Save for the aforesaid, the Company does not have any outstanding options, warrants, derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

## INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board. The Company is an investment holding company and the Group is principally engaged in the provision of convergent mobile multimedia broadcasting, satellite infotainment multimedia technology and services for vehicles and maritime applications, and trading of printed circuit board.

Set out below is the summary of financial information of the Group for six months ended 30 June 2021 and the financial years ended 31 December 2019 and 2020 as extracted from the interim report of the Company for the six months ended 30 June 2021 and the annual report of the Company for the year ended 31 December 2020:

	<b>For the six months ended 30 June 2021</b>	<b>For the year ended 31 December</b>	
	<i>US\$'000</i>	<b>2020</b>	<b>2019</b>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	2,582	3,876	7,153
Profit/(Loss) before taxation	(21,773)	(133,192)	(31,750)
Profit/(Loss) for the period attributable to the Shareholders	(17,956)	(127,700)	(28,404)
	<b>As at 30 June 2021</b>	<b>As at 31 December</b>	
	<i>US\$'000</i>	<b>2020</b>	<b>2019</b>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total assets	167,530	185,609	316,063
Total equity attributable to the Shareholders	91,398	106,103	227,553

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately after the Partial Conversion but before Completion; and (ii) immediately after the Completion and as at the Latest Practicable Date:

Shareholders	Immediately after the Partial Conversion but before Completion		Immediately after Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximate shareholding %</i>	<i>Number of Shares</i>	<i>Approximate shareholding %</i>
<b>The Offeror and the Offeror's Concert Parties</b>				
The Offeror	142,000,696	29.62	245,428,696	51.20
<b>Subtotal</b>	<b>142,000,696</b>	<b>29.62</b>	<b>245,428,696</b>	<b>51.20</b>
Other public Shareholders	<u>337,374,164</u>	<u>70.38</u>	<u>233,946,164</u>	<u>48.80</u>
<b>TOTAL</b>	<b><u>479,374,860</u></b>	<b><u>100.00</u></b>	<b><u>479,374,860</u></b>	<b><u>100.00</u></b>

## INFORMATION OF THE OFFEROR

Your attention is drawn to the paragraph headed “Information of the Offeror” in the “Letter from Kingston Securities” and “Appendix II – General information of the Offeror” to this Composite Document.

## INTENTION OF THE OFFEROR ON THE GROUP

Your attention is drawn to the paragraphs headed “Intention of the Offeror on the Group” and “Proposed change to the Board Composition of the Company” in the “Letter from Kingston Securities” as set out in this Composite Document. The Board noted that other than the intention of the Offeror and Mr. Wong as set out in such foregoing paragraphs, the Offeror and Mr. Wong have no intention to (i) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (ii) introduce any major changes in the existing operations and business of the Group, and the Offeror has no intention to introduce any significant changes to the management of the Group, or to discontinue the employment of the employees or to change the composition of the Board. The Board also noted that the Offeror and Mr. Wong intend to continue to pursue and enhance the development of current business of the Group and to create greater value for the Shareholders. The Board is willing to render reasonable co-operation to the Offeror if it considers that it is in the interests of the Company and the Shareholders as a whole.

The Board (excluding Mr. Wong, who is the sole director and beneficial owner of the Offeror) is of the view that the Offeror's intentions in relation to the Group and its employees are reasonable as it would ensure continuity and stability of the Group's business operations going forward. Furthermore, such intentions of the Offeror are not expected to have a material adverse impact on the existing businesses of the Group.

#### **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offers. The sole director of the Offeror and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares following the close of the Offers.

#### **INDEPENDENT BOARD COMMITTEE**

Rule 2.1 of the Takeovers Code requires the Company to establish an independent committee of the Board to give a recommendation to the Independent Shareholders and Optionholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers, and Rule 2.8 of the Takeovers Code requires that such independent committee should comprise all the non-executive Directors who have no direct or indirect interest in the Offers other than as a Shareholder.

The Independent Board Committee, comprising (i) Dr. Liu Hui, Mr. Chou Tsan-Hsiung and Mr. Yang Yi as non-executive Directors; and (ii) Dr. Li Jun, Mr. Chow Kin Wing and Mr. Tam Hon Wah as independent non-executive Directors, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give recommendation to the Independent Shareholders and Optionholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers.

## **APPOINTMENT OF JOINT INDEPENDENT FINANCIAL ADVISERS**

Centurion and CNI have been appointed to jointly advise the Independent Board Committee in respect of the Offers, and in particular, as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers. The appointments of Centurion and CNI have been approved by the Independent Board Committee.

You are advised to read the “Letter from the Independent Board Committee” addressed to the Independent Shareholders and Optionholders and the additional information contained in the appendices to this Composite Document before taking any action in respect of the Offers.

## **RECOMMENDATION**

Your attention is drawn to the letters from the Independent Board Committee and the Joint Independent Financial Advisers, respectively, which set out their recommendations and opinions in relation to the Offers and the principal factors considered by them before arriving at their recommendations. The Board (excluding Mr. Wong, who is the sole director and beneficial owner of the Offeror) unanimously recommends the Independent Shareholders and Optionholders to accept the Offers.

## **ADDITIONAL INFORMATION**

You are also advised to read this Composite Document together with the accompanying Forms of Acceptance in respect of the acceptance and settlement procedures of the Offers. Your attention is drawn to the additional information contained in the appendices to this Composite Document.



By order of the board of  
**CMMB Vision Holdings Limited**



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**Wong Chau Chi**  
*Chairman*