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**CHINA DATA
BROADCASTING**

CHINA DATA BROADCASTING HOLDINGS LIMITED

(中華數據廣播控股有限公司)*

(incorporated in Bermuda with limited liability)

PROPOSED SUBDIVISION OF SHARES OF HK\$0.10 EACH INTO FOUR SHARES OF HK\$0.025 EACH

The Board of China Data Broadcasting Holdings Limited proposes that each of the existing issued and unissued share capital of the Company be subdivided into four Subdivided Shares of HK\$0.025 each.

The Share Subdivision is conditional.

Each board lot of the Subdivided Shares will remain 2,000 shares.

1. SUBDIVISION OF SHARES

The Board proposes that each of the existing issued and unissued Shares be subdivided into four Subdivided Shares of HK\$0.025 each. Upon completion of the Share Subdivision, the trading in shares of the Company will still be in board lots of 2,000 Subdivided Shares.

Since the listing of the Shares on GEM the performance of its Share prices is most encouraging. However the Directors noted there has been a gradual reduction in the trading volume of the Shares and a steady increase in the investment cost for each board lot of Shares. Set out below is a selected trading statistics of the Shares for the past six months from 24th January, 2000 (date of listing) to 30th June, 2000:

2000	Daily Average Turnover <i>HK\$'000</i>	Daily Average Volume <i>'000</i>	Average Cost per Board Lot <i>HK\$</i>
January	48,204	8,361	11,530
February	17,755	1,828	19,430
March	10,334	735	28,136
April	2,315	179	25,913
May	1,241	89	28,000
June	585	44	26,753

The Board believes that the Share Subdivision will lower the minimum investment amount in the Shares thereby enhance the liquidity in trading of the shares of the Company and widen its investor base. Hence, the Board is of the view that the Share Subdivision is in the interests of the Company and its shareholders as a whole.

Conditions

The Share Subdivision is conditional upon (i) the passing of an ordinary resolution by the shareholders of the Company at the SGM, and (ii) the GEM Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subdivided Shares and any new Subdivided Shares which may fall to be issued pursuant to the exercise of option granted under the Company's share option scheme on GEM.

Change in Authorised and Issued Share Capital

As at the date of this announcement, the authorised share capital of the Company is HK\$30,000,000 which is divided into 300,000,000 Shares of which 79,500,000 Shares are in issue. Immediately upon completion of the Share Subdivision and on the basis that 79,500,000 Shares are in issue, 318,000,000 Subdivided Shares will be in issue pursuant to the Share Subdivision and the authorised share capital of the Company will

be divided into 1,200,000,000 Subdivided Shares of HK\$0.025 each. The Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in the relevant rights of the shareholders of the Company.

Trading Board Lot and Arrangement

Currently, the Shares are trading in board lots of 2,000 Shares and upon fulfillment of the conditions of the Share Subdivision. Shares of the Company will still be traded in board lots of 2,000 Subdivided Shares.

Exchange of certificates

New certificates for Subdivided Shares will be issued in yellow in order to distinguish them from certificates for existing Shares which are purple in colour.

Shareholders are urged to exchange their certificates for existing Shares for new certificates for Subdivided Shares as soon as possible on or after 25th July, 2000. This may be done free of charge by delivering the certificates for existing Shares to the Registrar before 4:00 p.m. on 1st September, 2000. Thereafter, certificates for existing Shares will be accepted for exchange only on payment of a fee of \$2.5 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new certificate for Subdivided Shares. Shareholder will be entitled to aggregate his/her Shares registered in his/her name in order to obtain new certificates for Subdivided Shares in board lot(s) of 2,000 Subdivided Shares.

Certificates for existing Shares will only be valid for delivery and settlement in respect of dealings for the period up to 1st September, 2000 and thereafter will not be accepted for dealing purposes. However, the certificates for existing Shares will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for four Subdivided Shares and may be exchanged for new certificates for Subdivided Shares at any time. Such Shareholders shall be entitled to tender their certificates for existing Shares in exchange for new certificates for the Subdivided Shares in board lots of 2,000 Subdivided Shares so that their shareholding may be accurately represented by the new certificates for the Subdivided Shares.

Expected Timetable of the Share Subdivision

2000

Latest time for lodging forms of proxy for the Special General Meeting	10:00 a.m. on Saturday, 22nd July
Special General Meeting	10:00 a.m. on Monday, 24th July
Effective Date of Share Subdivision	10:00 a.m. on Tuesday, 25th July
Dealing in Subdivided Shares commences	10:00 a.m. on Tuesday, 25th July
Existing counter for trading in existing Shares in board lots of 2,000 Shares temporary closes	10:00 a.m. on Tuesday, 25th July
Temporary counter for trading in Subdivided Shares in board lots of 8,000 Subdivided Shares (in the form of existing share certificates) opens	10:00 a.m. on Tuesday, 25th July
First day of free-exchange of certificates for existing Shares for new certificates for the Subdivided Shares	Tuesday, 25th July
Existing counter for trading in Subdividend Shares in board lots of 2,000 Subdivided Shares (in the form of new share certificates for Subdivided Shares) reopens	10:00 a.m. on Tuesday, 8th August
Parallel trading in Subdivided Shares (in the form of new certificates for Subdivided Shares in the existing counter and existing shares certificates in the temporary counter) commences	10:00 a.m. on Tuesday, 8th August
Temporary counter for trading in Subdivided Shares in board lots of 8,000 Subdivided Shares (in the form of existing shares certificates) ends	4:00 p.m. on Tuesday, 29th August

Parallel trading in Subdivided Shares

(in the form of new certificates for Subdivided Shares in the existing counter and existing shares certificates in the temporary counter) ends 4:00 p.m. on Tuesday, 29th August

Last day for free exchange of certificates for existing Shares for new certificates for Subdivided Shares

4:00 p.m. on Friday, 1st September

2. GENERAL

A circular containing, among other things, the details of the Share Subdivision, trading arrangement in respect of the Subdivided Shares and a notice convening the SGM will be despatched to the shareholders of the Company on 6th July, 2000.

An application will be made to the GEM Listing Committee of the Stock Exchange for the listing and permission to deal in such Subdivided Shares.

DEFINITIONS USED

“SGM”	the special general meeting of the Company to be held to approve, among other things, the Share Subdivision
“Board”	the board of directors of the Company
“Company”	China Data Broadcasting Holdings Limited
“GEM”	the Growth Enterprise Market of The Stock Exchange
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Share Subdivision”	the proposed subdivision of each of the issued and unissued Shares into four Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	shares of HK\$0.025 each in the capital of the Company upon completion of the Share Subdivision

“HK\$”

Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China

By order of the Board
Professor Kou Jisong
Chairman

Hong Kong, 3rd July, 2000

* *For identification purpose only*

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will appear on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the day of its posting thereon.