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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)

CONTINUING CONNECTED TRANSACTIONS

The Board announces that CDB Trading entered into the conditional Agreement with Tianda Tiancai. Pursuant to the Agreement, CDB Trading has agreed to act as a technical consultant and sourcing agent for parts and components of digital versatile disc players for Tianda Tiancai. The Group procures the relevant parts and components and sells them to Tianda Tiancai on an indent basis for an initial term that commences on 25th April, 2002 and ends on 31st December, 2002. The Services offered by the Group pursuant to the Agreement will constitute continuing connected transactions of the Company under the GEM Listing Rules.

The Services will be subject to, inter alia, approval of the independent shareholders at the SGM to be convened for (1) which, pursuant to Rule 17.25 of the GEM Listing Rules, the Services will constitute a material change to the general character of the business of the Group as the Services will materially diversify the principal activities carried out by the Group as stated in the prospectus of the Company dated 17th January, 2000 to the extent that the Services are expected to have a material impact on the revenue of the Group; and (2) the approval of the Agreement.

A circular containing, inter alia, (i) details of the Agreement; (ii) the recommendations of the independent board committee of the Company in relation to the Agreement; (iii) the advice of an independent financial adviser to the independent board committee of the Company in relation to the Agreement; and (iv) a notice convening the SGM, will be dispatched to shareholders of the Company on or before 15th May, 2002.

THE AGREEMENT DATED 25TH APRIL, 2002

Parties

- (i) Tianda Tiancai
- (ii) CDB Trading

Terms of the Agreement

Under the Agreement, the Group has agreed to act as a technical consultant and sourcing agent for parts and components of digital versatile disc players for Tianda Tiancai in view of the Group's expertise on the digital information technology field. The Services are carried out by companies in Hong Kong before Tianda Tiancai enters into the Agreement.

The Group procures the relevant parts and components and sells them to Tianda Tiancai on an indent basis for an initial term that commences on 25th April, 2002 and ends on 31st December, 2002. The aggregate total sales amount is subject to the Cap Amount of HK\$520 million for the financial year ending 31st December, 2002.

The prices for the parts and components sold to Tianda Tiancai are based on a mark-up on the cost of the parts and components procured by the Group from the market, after taking into consideration expenses arising from the Services.

All of the sales arising from the Services are denominated in United States dollars and are paid by Tianda Tiancai by way of transferable documentary credit ranging up to 30 days. In turn, payment made by CDB Trading to suppliers is by way of back-to-back documentary credit supported by those made by Tianda Tiancai. All key terms (except for dollar value) of the documentary credit provided by Tianda Tiancai and CDB Trading are expected to be identical.

Among others, Tianda Tiancai is obliged to submit a monthly purchase order to the CDB Trading about 15 days in advance without committing to a minimum monthly purchase and the Agreement is conditional upon independent shareholders' approval at the SGM to be convened.

The Directors consider that the Agreement is on normal commercial terms and on terms no more favorable than those available to independent third parties.

Reasons for the Services

While the Group will continue to be engaged in the business of data broadcasting in the PRC, the Board considers that the Group can capitalise its expertise on the digital information technology field to offer the Services in order to broaden the Group's income base and that it is in the interests of the Group.

The Services will constitute a material change to the general character of the business of the Group as the Services will materially diversify the principal activities carried out by the Group as stated in the prospectus of the Company dated 17th January, 2000 to the extent that the Services are expected to have a material impact on revenue of the Group. Therefore, the Services are subject to independent shareholders' approval at the SGM to be convened pursuant to Rule 17.25 of the GEM Listing Rules.

Relationship between the parties

Tianda Tiancai is formerly known as Genius Co., Ltd.. Its principal businesses include the development of computer software and hardware the integration of information systems, information services, the research and development of the integration of optical and electric mechanical technology, including the digital versatile disc players, and chemical packaging materials and related production and sales.

As set out in the prospectus of the Company dated 17th January, 2000, the Group had emerged from a data broadcasting project team in the group comprising Genius Co., Ltd. and its subsidiaries. After the corporate reorganization that took place in June 1999, Genius holds a 30% equity interests in the major operating company of the Group, Tiancai Network. Genius Co., Ltd., as such, was deemed a connected person of the Group.

Conditions of continuing connected transactions

The Services constitute continuing connected transactions under the GEM Listing Rules and are therefore subject to the requirements under the GEM Listing Rules, in particular, the approval of the Agreement by the independent shareholders and the following conditions:

- (1) that the Services shall be:
 - (i) entered into by the Group in the ordinary and usual course of its business;

- (ii) conducted either (a) on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities) or (b) (where there is no available comparison) on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
 - (iii) entered into either in accordance with the terms of the agreement or order contracts or other supplemental agreements governing such Services;
- (2) the aggregate dollar amount of the Services by the Group is subject to the Cap Amount of HK\$520 million for the financial year ending 31st December, 2002.

The Cap Amount has been determined based on the purchase plan provided by Tianda Tiancai to CDB Trading in respect of the purchase orders for the year ending 31st December, 2002.

- (3) the independent non-executive Directors shall review the Services annually and confirm in the Company's next annual report that the Services were conducted in the manner as stated in paragraphs (1) and (2) above;
- (4) the Company's auditors shall review the Services annually and report in a letter to the Directors (the "Letter") (a copy of which shall be provided to the Stock Exchange) whether, based on the findings arising from these procedures:
- (i) the Services have received the approval of the Board;
 - (ii) the Services are in accordance with the pricing policies of the Group;
 - (iii) the Services have been entered into in accordance with the terms of the agreement or order contracts governing such Services; and
 - (iv) the Cap Amount has been exceeded.

Where, for whatever reason, the auditors decline to accept the engagement or are unable to provide the Letter, the Directors shall contact the Stock Exchange immediately;

- (5) details of the Services in the financial year shall be disclosed as required under Chapter 20 of the GEM Listing Rules in the annual report of the Company for the financial year together with the statement of opinion of the independent non-executive Directors referred to in paragraph (3) above; and

(6) the Company shall provide to the Stock Exchange an undertaking that, for so long as the Company's securities are listed on GEM of the Stock Exchange, it will provide the Company's auditors with full access to its relevant records, and where required by the Company's auditors, will use its best efforts to procure Tianda Tiancai to provide the Company's auditors with access to the relevant records relating to the Services, for the purpose of the auditors' review of the Services referred to in paragraph (4) above.

If any terms of the Services as mentioned above are altered in the future or the conditions set out above are not met, the Company must comply with the provisions of Chapter 20 of the GEM Listing Rules governing connected transactions unless it applies for and obtains a waiver from the Stock Exchange.

Any Services after year 2002 will be subject to the requirements under Chapter 20 of the GEM Listing Rules.

In the event of any future amendments to the GEM Listing Rules imposing more stringent requirements, the Company must take immediate steps to ensure compliance with such requirements within a reasonable time.

GENERAL

While the Group will continue to be engaged in the business of data broadcasting in the PRC, the Board considers that the Group can capitalise its expertise on the digital information technology field to offer the Services in order to broaden the Group's income base and that it is in the interests of the Group.

An independent financial adviser to the independent board committee of the Company will be appointed by the Board in due course.

A circular containing, inter alia, (i) details of the Agreement; (ii) the recommendations of the independent board committee of the Company in relation to the Agreement; (iii) the advice of an independent financial adviser to the independent board committee of the Company in relation to the Agreement; and (iv) a notice convening the SGM, will be dispatched to shareholders of the Company on or before 15th May, 2002.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Agreement”	the agreement dated 25th April, 2002 between CDB Trading and Tianda Tiancai in respect of the Services, for an initial term that commences on 25th April, 2002 and ends on 31st December, 2002
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	board of Directors
“BVI”	British Virgin Islands
“Cap Amount”	the maximum amounts of Services for the financial year ending 31st December, 2002
“CDB Trading”	China Data Broadcasting Trading Ltd., a wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liabilities
“Company”	China Data Broadcasting Holdings Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on GEM of the Stock Exchange
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Services”	the services under which the Group acts as a technical consultant and sourcing agent for parts and components of digital versatile disc players for Tianda Tiancai. The Group procures the relevant parts and components and sells them to Tianda Tiancai
“SGM”	special general meeting of the Company to be convened for approving the Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tiancai Network”	Tianjin Tiancai Network Software Company Limited (天津天財網絡軟件有限公司), a Sino-foreign cooperative joint venture enterprise established in the PRC, owned as to 70% by Verified Solutions and as to 30% by Genius Co., Ltd.
“Tianjin Tianda”	Tianjin Tianda Tiancai Co., Ltd. is a company formerly known as Genius Co., Ltd. (天津天大天財股份有限公司), a company established in the PRC with limited liabilities, the class A shares of which are listed on the Shenzhen Stock Exchange
“Verified Solutions”	Verified Solutions Group Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company

BY ORDER OF THE BOARD
Professor Kou Jisong
Chairman

Hong Kong, 25th April, 2002

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 Announcement” page for 7 days from the day of its posting thereon.

* For identification only