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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)

ANNOUNCEMENT

POSSIBLE CHANGE OF CONTROL OF THE COMPANY AND UNUSUAL INCREASE IN TRADING VOLUME OF SHARES

Financial advisor to the Company



Oriental Patron Asia Limited

The Board of the Company has noted the increase in trading volume of the shares of the Company on 20 December, 2002 and wish to state that the controlling shareholder of the Company, Ultra Challenge which holds 171,900,000 Shares, representing 54.06% interests in the Company, has currently entered into discussions with a substantial shareholder of the Company, Apex Digital which holds 80,000,000 Shares, representing 25.16% interests in the Company, in respect of the intended acquisition of the Shares by Apex Digital from Ultra Challenge. As at the date of this announcement, the terms of the aforesaid discussions are under final negotiation. However, no legally binding contract and/or agreement in relation to the discussions has been entered into. Such discussions may or may not result in any agreement for the intended acquisition and may or may not result in a change of control of the Company. Save for such discussions, the Board are not aware of any reasons for the increase in trading volume of the Shares.

The Shares have been suspended from trading on the Stock Exchange from 3:47 p.m. on 20 December, 2002 and will remain suspended until further announcement regarding the aforesaid discussions to be made by the Company.

The board of the directors (the “**Board**”) of China Data Broadcasting Holdings Limited (the “**Company**”) has noted the increase in trading volume of the shares of the Company on 20 December, 2002 and wish to state that the controlling shareholder of the Company, Ultra Challenge Limited (“**Ultra Challenge**”) which holds 171,900,000 shares of the Company (the “**Shares**”), representing 54.06% interests in the Company, has currently entered into discussions with a substantial shareholder of the Company, Apex Digital Inc. (“**Apex Digital**”) which holds 80,000,000 Shares, representing 25.16% interests in the Company, in respect of the intended acquisition of the Shares by Apex Digital from Ultra Challenge.

Ultra Challenge is currently held by Professor Kou Jisong, the Chairman and a director of the Company, and Mr. Choi Kwok Yat as joint trustees on terms of a fixed trust. As at the date of this Announcement, the beneficiaries of the trust are Mr. Dong Jian Xin, Professor Li Min Qiang, Mr. Yao Xiao Dong, Mr. Tang Bin, Mr. Wang Guang Xin, Mr. Zhang Renli, Mr. Li Jiancheng, Madam Bu Dongmei, Mr. Yue Shishuang, Mr. Li Yongchao, Mr. Sun Lianwen, Mr. Xiong Kai, Mr. Ye Ting, Mr. Han Tao, Mr. Ne Yue. Mr. Wang Chaowen, Mr. Cheng Ze and Ms. Lu Yan Hong. All of the beneficiaries are current or ex-employee of the Company or its subsidiaries. None of these beneficiaries had an effective interest amounting to 10% or more of the issued share capital of the Company.

The Company is given to understand that Mr. David Ji is the substantial shareholder of Apex Digital. Mr. David Ji is not a director of the Company.

As at the date of this announcement, the terms of the aforesaid discussions are under final negotiation. However, no legally binding contract and/or agreement in relation to the discussions has been entered into. Such discussions may or may not result in any agreement for the intended acquisition and may or may not result in a change of control of the Company. Save for such discussions, the Board are not aware of any reasons for the increase in trading volume of the Shares.

The Board will keep the shareholders and potential investors informed of the latest progress of the intended acquisition as and when appropriate and in accordance with the Code on Takeovers and Mergers and Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange (“GEM Listing Rules”).

Save for the above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, neither are the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company as the aforesaid discussions may or may not lead to any agreement being reached.

The Shares have been suspended from trading on the Stock Exchange from 3:47 p.m. on 20 December, 2002 and will remain suspended until further announcement regarding the aforesaid discussions to be made by the Company.

BY ORDER OF THE BOARD
Professor Kou Jisong
Chairman

Hong Kong, 23 December, 2002

** 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.

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