

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of China Data Broadcasting Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to China Data Broadcasting Holdings Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Data Broadcasting Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



**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)*

**(Stock Code: 8016)**

**CHANGE OF AUDITORS  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

The notice convening the Special General Meeting to be held at 2919 E, Philadelphia St., Ontario, CA 91761, United States of America on 29 March 2005, at 9:00 a.m. (Hong Kong time) is set out on Appendix of this Circular.

A form of proxy for the Special General Meeting is enclosed with this circular. Whether or not you intend to be present at the Special General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to Hong Kong Registrars Limited of 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the Special General Meeting. The completion of a form of proxy will not preclude you from attending and voting at the Special General Meeting in person if you so wish.

*This circular will remain on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of its posting and the website of the Company at [www.databroadcasting.com.hk](http://www.databroadcasting.com.hk).*

\* for identification only

10 March 2005

## CHARACTERISTICS OF THE GEM

The GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on the GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on the GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on the GEM.

The principal means of information dissemination on the GEM is publication on the internet website of <http://www.hkgem.com> operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on the GEM-listed companies.

## DEFINITIONS

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

“BDO McCabe”	BDO McCabe Lo & Company
“Board”	the board of Directors
“Company”	China Data Broadcasting Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on GEM
“Directors”	the directors of the Company
“E&Y”	Ernst & Young
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Share(s)”	share(s) of \$0.025 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Special General Meeting”	the special general meeting of the Company to be held at 2919 E, Philadelphia St., Ontario, CA 91761, United States of America on 29 March 2005, at 9:00 a.m. (Hong Kong time) at which an ordinary resolution shall be proposed to approve the appointment of RSM Nelson Wheeler as auditors of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

LETTER FROM CHAIRMAN



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)*  
**(Stock Code: 8016)**

*Executive Directors:*

David Ji Long Fen  
Ancle Hsu Ann Keh  
Alice Hsu Chu Yun

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USA

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Hing Yip Commercial Centre  
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Hong Kong

10 March 2005

*To the Shareholders*

Dear Sir or Madam,

**CHANGE OF AUDITORS  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

The Board announced on 25 January 2005 that E&Y resigned as auditors of the Company and its subsidiaries and the Board initially recommended to appoint BDO McCabe as auditors of the Company to fill the casual vacancy following the resignation of E&Y and to hold office until the conclusion of the next annual general meeting of the Company.

\* *for identification only*

## LETTER FROM CHAIRMAN

However, subsequently the Company had been notified by BDO McCabe that they declined our recommendation without giving reasons. BDO McCabe have not yet commenced the audit for the Group's financial statements for the year ended 31 December 2004. Then, the Board now recommends to appoint RSM Nelson Wheeler to fill the casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company.

The purpose of this circular is to provide you with details of the change of auditors and to set out the notice convening the Special General Meeting at which an ordinary resolution will be proposed to consider and, if thought fit, approve the appointment of RSM Nelson Wheeler as auditors of the Company.

### CHANGE OF AUDITORS

The Company received a notice of resignation from E&Y in respect of their resignation as auditors of the Company and its subsidiaries with effect from 7 January 2005. At the last annual general meeting of the Company held on 28 April 2004, E&Y were re-appointed auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company. In accordance with the Bye-Laws of the Company, if the office of auditors becomes vacant by the resignation of the auditors, the Board shall as soon as practicable convene a special general meeting to fill the casual vacancy.

In the notice of resignation, E&Y confirmed that there were no circumstances connected with their resignation which they considered should be brought to the attention of the shareholders or creditors of the Company or its subsidiaries. To the best knowledge of the Directors, there were also no circumstances which they considered should be brought to the attention of the Shareholders or creditors of the Company in respect of the change of auditors.

The Board now proposed to appoint RSM Nelson Wheeler as auditors of the Company to fill the casual vacancy following the resignation of E&Y and to hold office until the conclusion of the next annual general meeting of the Company. The appointment of RSM Nelson Wheeler in place of E&Y is subject to the approval of the Shareholders of the Company at the Special General Meeting of the Company to be convened. E&Y have not yet commenced the audit for the Group's financial statements for the year ended 31 December 2004.

On 7 March 2005, E&Y issued a letter of professional clearance to RSM Nelson Wheeler advising that there were no circumstances surrounding the proposed change of auditors of which E&Y believed RSM Nelson Wheeler should be aware of.

### THE SPECIAL GENERAL MEETING

At the Special General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the proposed change of auditors of the Company. None of the Shareholders of the Company are required to abstain from voting at the Special General Meeting. The notice convening the Special General Meeting is set out on pages 5 to 6 of this circular. A proxy for use at the Special General Meeting is enclosed.

## LETTER FROM CHAIRMAN

Whether or not you propose to attend and vote at the Special General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Registrar as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the Special General Meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the Special General Meeting should you so wish. In accordance with the Bye-Laws of the Company, members may demand that voting in respect of the resolution to be put to the Special General Meeting shall be taken on a poll. Details of those members who may demand a poll are set out in note 4 to the notice of the Special General Meeting on pages 5 to 6 of this circular.

### PROCEDURES FOR REQUEST OF A-POLL

In accordance with the Bye-Laws of the Company, the following person or members may demand that voting in respect of the resolution to be put to the Special General Meeting shall be taken on a poll:

- (a) the chairman of such meeting; or
- (b) at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A poll may be demanded before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll.

## LETTER FROM CHAIRMAN

### RECOMMENDATION

The Board is of the opinion that the nomination and appointment of RSM Nelson Wheeler as auditors of the Company is in the interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution as proposed at the Special General Meeting.

Yours faithfully,  
**David Ji Long Fen**  
Chairman

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- (i) the information contained in this circular is accurate and complete in all material respects and not misleading;*
- (ii) there are no other matters the omission of which would make any statements in this circular misleading; and*
- (iii) all opinions expressed in this circular 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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BROADCASTING

## China Data Broadcasting Holdings Limited (中華數據廣播控股有限公司)\*

*(incorporated in Bermuda with limited liability)*

(Stock Code: 8016)

NOTICE IS HEREBY GIVEN that a Special General Meeting of China Data Broadcasting Holdings Limited (the "Company") will be held at 2919 E, Philadelphia St., Ontario, CA 91761, United States of America on 29 March 2005 at 9:00 a.m. (Hong Kong time) for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

"THAT RSM Nelson Wheeler be and is hereby appointed as auditors of the Company to fill the casual vacancy following the resignation of Ernst & Young and to hold office until the conclusion of the next annual general meeting of the Company at a fee to be fixed by the board of directors of the Company."

On behalf of the Board  
**David Ji Long Fen**  
*Chairman*

Hong Kong, 10 March 2005

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company but must be present in person to represent the member.
2. A form of proxy for use at the Special General Meeting is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the office of the Company's branch registrar in Hong Kong, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.

\* for identification only



3. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto but if more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. In accordance with the Bye-Laws of the Company, the following person or members may demand that voting in respect of the resolution to be put to the Special General Meeting shall be taken on a poll:
  - (a) the chairman of such meeting; or
  - (b) at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
  - (c) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
  - (d) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A poll may be demanded before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll.