

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)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The notice convening the Annual General Meeting to be held at 301 Brea Canyon Road, Walnut, CA91789, United States of America on 28 December 2005, at 9:00 a.m. (Hong Kong time) is set out on Appendix II of this Circular. The purpose of this circular is to provide shareholders with details of the proposed general mandates to be dealt with at the Annual General Meeting.

A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you intend to be present at the Annual 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 Annual General Meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual 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.

5 December 2005

* for identification only

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:

“Annual General Meeting”	the annual general meeting of the Company to be held at 301 Brea Canyon Road, Walnut, CA91789, United States of America on 28 December 2005, at 9:00 a.m. (Hong Kong time) in relation to the financial year of the Company ended on 31 December 2004
“Annual Report 2004”	the annual report of the Company for the financial year ended 31 December 2004
“Board”	the board of Directors
“Commission”	the Securities and Futures Commission
“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
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	New Issue Mandate and Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	30 November 2005 being the latest practicable date for ascertaining certain information in this circular prior to the printing of this circular
“New Issue Mandate”	the general mandate to exercise the power of the Company to allot, issue and otherwise deal with new share not exceeding 20% of the share capital of the Company as at the date of the resolution approving such mandate
“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of the resolution approving such mandate

DEFINITIONS

“Share(s)”	share(s) of \$0.025 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$” and “cents”	Hong Kong dollars and cents respectively



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(中華數據廣播控股有限公司)*

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(Stock Code: 8016)

Executive Directors:

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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business:*

301 Brea Canyon Road
Walnut
CA91789
USA

Hong Kong liaison office:

Unit 3701
37th Floor
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

As at the date of this circular, the Company does not have any independent non executive director.

5 December 2005

To the Shareholders

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

INTRODUCTION

At the Annual General Meeting, in addition to other resolutions set out in the notice convening such meeting, resolutions will be proposed to grant to the Directors general mandate to allot, issue and deal with new Shares and to repurchase Shares. This circular contains an explanatory statement, as required by Rule 13.08 of the GEM Listing Rules, to provide the requisite information to Shareholders to

* *for identification only*

LETTER FROM CHAIRMAN

enable Shareholders to make an informed decision on whether to vote for or against the resolution to grant the General Mandate.

GENERAL MANDATE TO ISSUE NEW SHARES

At the Annual General Meeting, an ordinary resolution will be proposed which, if passed, will give the Directors a general and as to confirm mandate to allot, issue and otherwise deal with new shares not exceeding 20% of the share capital of the Company in issue on the date of passing the resolution (or 63,600,000 Shares based on (i) the Company's issued share capital as at the Latest Practicable Date of 318,000,000 Shares and (ii) the assumption that no further shares are issued prior to the Annual General Meeting). In addition, conditional upon the proposed resolution to authorise the Repurchase Mandate being passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with new Shares up to an amount equal to the aggregate nominal amount of the Shares repurchased by the Company in order to provide flexibility for issuing new Shares when it is in the interests of the Company.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors the Repurchase Mandate, details of which are set out in Resolution No. 5 in the notice of the Annual General Meeting. The Shares which may be repurchased pursuant to the Repurchase Mandate are limited to a maximum of 10 per cent of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate (or 31,800,000 Shares by reference to (i) the Company's issued share capital as at the Latest Practicable Date of 318,000,000 Shares and (ii) the assumption that no further shares are issued prior to the Annual General Meeting).

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at 301 Brea Canyon Road, Walnut, CA91789, United States of America on 28 December 2005, at 9:00 a.m. (Hong Kong time) is set out on Appendix II of this Circular. Resolutions No. 4 to 6 which relate to the General Mandate will be proposed as ordinary resolutions at the Annual General Meeting for your consideration and approval.

A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you intend to be present at the Annual 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 Annual General Meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person if you so wish.

LETTER FROM CHAIRMAN

RECOMMENDATION

The Board is of the opinion that the proposals referred to in this circular are in the best interests of the Company and its shareholders and recommend all shareholders to vote in favour of the resolutions relating to the General Mandate to be proposed at the Annual General Meeting.

Yours faithfully,
David Ji Long Fen
Chairman

SHARE CAPITAL

As at 30 November 2005 (the latest practicable date prior to the printing of this circular) (“Latest Practicable Date”), the issued share capital of the Company comprised 318,000,000 Shares of HK\$0.025 each.

Subject to the passing of Ordinary Resolution No. (5) and on the basis that no further Shares are issued prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 31,800,000 Shares equivalent to 10% of the issued share capital of the Company.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase shares in the market. Repurchases of shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets or its earnings per share or both.

FUNDING OF REPURCHASES

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. The Company will not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on GEM in each of the previous twenty months from 1 April 2004 to 30 November 2005 were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2004	2.25	2.25
May 2004	2.15	2.00
June 2004	2.15	2.15
July 2004	2.20	2.00
August 2004	2.15	2.15
September 2004	2.00	2.00
October 2004	2.10	2.05
November 2004	2.05	1.38
December 2004	1.44	1.35
January 2005	Suspended	Suspended
February 2005	Suspended	Suspended
March 2005	Suspended	Suspended
April 2005	Suspended	Suspended
May 2005	Suspended	Suspended
June 2005	Suspended	Suspended
July 2005	Suspended	Suspended
August 2005	Suspended	Suspended
September 2005	Suspended	Suspended
October 2005	Suspended	Suspended
November 2005	Suspended	Suspended

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association and bye-laws and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the shareholders.

No other connected persons (as defined in the GEM Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

TAKEOVERS CODE CONSEQUENCES

If the Repurchase Mandate were exercised in full, the percentage shareholding of the substantial shareholders of the Company before and after such repurchase would be as follows:

Substantial Shareholders	No. of Shares	Before repurchase	After repurchase
Apex Digital Inc.	165,197,340	51.95%	57.72%
Mr. David Ji Long Fen (“David Ji”)*	57,700,000	18.14%	20.16%
Mr. Xu Gaohui (“Mr. Xu”)*	22,350,000 [#]	7.03%	7.81%

* *being Apex Digital’s parties acting in concert.*

These are considered by the Company as public shareholders. The aggregate shareholding of public Shareholders amount to 95,102,660 Shares (representing 29.91% of the total issued Shares of the Company).

If as a result of a repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder’s interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Apex Digital Inc. and David Ji beneficially held 165,197,340 Shares and 57,700,000 Shares representing 51.95 per cent, and 18.14 per cent of the issued share capital of the Company, respectively. Based on such shareholding and in the event that the Repurchase Mandate is exercised in full, the shareholding of Apex Digital Inc. and David Ji would be increased to 57.72 per cent, and 20.16 per cent of the issued share capital of the Company, respectively and such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Code. However, the Company and the Directors have no current intention to exercise the Repurchase Mandate, to such extent as would give rise to this obligation.

Save as aforesaid in this circular, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchase made under the Repurchase Mandate.

SHARES REPURCHASES BY THE COMPANY

The Company had not purchased any of its Shares (whether on GEM or otherwise) during the six months prior to the Latest Practicable Date.



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(incorporated in Bermuda with limited liability)

(Stock Code: 8016)

NOTICE IS HEREBY given that the Annual General Meeting of China Data Broadcasting Holdings Limited (the “Company”) will be held at 301 Brea Canyon Road, Walnut, CA91789, United States of America on Wednesday, 28 December 2005 at 9:00 a.m. (Hong Kong time) for the purpose of considering and, if thought fit, inter alia, passing the following resolution as an ordinary/special resolution of the Company:

1. To receive and consider the audited consolidated financial Statements and the reports of the Directors and Auditors for the year ended 31 December 2004.
2. To re-elect retiring Directors pursuant to the Company’s Bye-laws and to authorise the board of directors to fix their remuneration.
3. To re-appoint the auditors of the Company and authorise the Directors to fix their remuneration.
4. To consider as Special Business, and if thought fit, to pass with or without amendments, the following resolutions as an Ordinary Resolution:

“THAT:

- (A) subject to paragraph (C) below, pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements or options which might require the exercise of such powers be and is hereby approved generally and unconditionally;
- (B) the approval in paragraph (A) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;

* for identification only

(C) the aggregate nominal amount of share capital allotted and issued, or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (a) a Rights Issue; or (b) the grant or exercise of any option under the share option scheme of the Company; or (c) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws of the Company in force from time to time; or (d) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed the aggregate of:

- (i) 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution; and
- (ii) (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution),

and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly;

(D) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company, the Companies Act of the Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this Resolution;

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares on the register on a fixed record date in proportion to their holdings of such shares, subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong.”

5. As Special Business, to consider and, if thought fit, to pass the following as an Ordinary Resolution:

“THAT:

- (A) subject to paragraph (B) below, the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to repurchase its shares in the capital of the Company on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, The Stock Exchange of Hong Kong Limited, the Companies Act of Bermuda and all other applicable laws in this regard, be and is hereby approved generally and unconditionally;
- (B) the aggregate nominal amount of shares authorised to be repurchased or agreed conditionally or unconditionally to be repurchased by the Directors of the Company pursuant to the approval in paragraph (A) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date this Resolution and the said approval shall be limited accordingly; and
- (C) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required either by the Bye-laws of Company, the Companies Act of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this Resolution.”

6. As Special Business, to consider and, if thought fit, to pass the following as an Ordinary Resolution:

“**THAT** conditional upon the passing of Ordinary Resolutions numbered 4 and 5 as set out in the Notice convening this meeting, the aggregate nominal amount of the number of shares in the capital of the Company that shall have been repurchased by the Company after the date thereof pursuant to and in accordance with the said Ordinary Resolution 5 shall be added to the aggregate nominal amount of share capital that may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to the general mandate to allot and issue shares granted to the Directors of the Company by the said Ordinary Resolution 4.”

On behalf of the Board
David Ji Long Fen
Chairman

Hong Kong, 5 December 2005

Notes:

- i. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holder of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
- ii. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.
- iii. To be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited to the Company's Branch Registrars in Hong Kong, Hong Kong Registrars Limited of 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong and in any event not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting (as the case may be).
- iv. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- v. The biographical details of Ms. Alice Hsu Chu Yun the Director who offer herself for re-election are provided in the section headed "Biographical Details in respect of Directors and Senior Management " in the Annual Report.
- vi. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- vii. Attendants should bear their own travelling, accommodation and other expenses.