
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 transferee 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 Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 6 May 2011, Friday at 10:30 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 17M 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 "Latest Company Announcement" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at <http://www.cdb-holdings.com.hk>.

21 March 2011

* for identification only

CHARACTERISTICS OF THE GEM

The GEM positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. 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 GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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 Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 6 May 2011, Friday at 10:30 a.m. (Hong Kong time) in relation to the financial year of the Company ended on 31 December 2010
“Annual Report 2010”	the annual report of the Company for the financial year ended 31 December 2010
“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”	18 March 2011 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

DEFINITIONS

“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving such mandate
“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 Codes on Takeovers and Mergers and Share Repurchases
“HK\$” and “cents”	Hong Kong dollars and cents respectively

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

Tang Yun

Yu Xiao

Wu Xiangtao

Xiang Chao Yang

Wang Zhenhua

Shi Ping

Independent Non-executive Directors:

Jonathan Chan Ming Sun

Robert IP Chun Chung

Sun Dong Feng

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place
of business:*

Unit 3701

37 Floor

West Tower, Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

21 March 2011

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

* for identification only

LETTER FROM CHAIRMAN

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% 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).

The General Mandate will remain in effect until whichever is the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required to be held by law or the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. The Company may not purchase Shares on the GEM if that purchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 6 May 2011, Friday at 10:30 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 17M 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

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll.

RECOMMENDATION

The Board is of the opinion that the proposals in relation to the General Mandate to issue new shares and the Repurchase Mandate 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.

PROCEDURE TO DEMAND POLL

A resolution put to the vote at the AGM will be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of the AGM; or
- (b) at least three Shareholders present in person or by representative(s) or by proxy/proxies and entitled to vote; or
- (c) any Shareholder or Shareholders present in person or by representative(s) or by proxy/proxies and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the AGM; or
- (d) any Shareholder or Shareholders present in person or by representative(s) or by proxy/proxies and holding Shares conferring a right to attend and vote at the AGM on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Yours faithfully,
Yu Xiao
Chairman

SHARE CAPITAL

As at 18 March 2011 (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 twelve months from March 2010 to March 2011 were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
March 2010	1.05	0.91
April 2010	3.00	0.91
May 2010	1.53	0.94
June 2010	1.22	0.93
July 2010	1.12	0.90
August 2010	1.20	1.09
September 2010	1.46	1.00
October 2010	1.44	1.18
November 2010	1.45	1.19
December 2010	1.47	1.34
January 2011	2.00	1.16
February 2011	1.88	1.47
March 2011 (up to the Latest Practicable Date)	1.79	1.79

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
Sichuan Changhong Electric Co. Limited	95,368,000	29.99%	33.32%
Sichuan Investment Management Co. Limited	83,009,340	26.10%	29.00%
Mr. David Ji Long Fen (“David Ji”)	44,520,000	14.00%	15.56%

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 Rules 26 and 32 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, Sichuan Changhong Electric Co. Limited, Sichuan Investment Management Co. Limited and David Ji beneficially held 95,368,000 Shares, 83,009,340 Shares and 44,520,000 Shares representing 29.99%, 26.10%, and 14.00% 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 Sichuan Changhong Electric Co. Limited, Sichuan Investment Management Co. Limited and David Ji would be increased to 33.32%, 29.00%, and 15.56% of the issued share capital of the Company, respectively and such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 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 PURCHASES 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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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 the Annual General Meeting of China Data Broadcasting Holdings Limited (the “Company”) will be held at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 6 May 2011, Friday at 10:30 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 2010.
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% 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

Yu Xiao
Chairman

Hong Kong, 21 March 2011

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 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong and in any event not less than 48 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 Mr. David Ji Long Fen, Mr. Tang Yun and Ms. Shi Ping, the Directors who offer themselves 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.