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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE ")

GEM has been positioned as a market designed to accommodate companies to which a higher 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 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.

This announcement, for which the directors (the "Directors") of China Data Broadcasting Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement 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 announcement misleading; and (3) 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.

* *for identification purposes only*

RESULTS

The board of directors (the "Board") of the Company is pleased to announce the audited financial results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2011.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
TURNOVER	*1*	**2,724,330**	2,614,184
Cost of sales		**(2,680,539)**	(2,573,094)
GROSS PROFIT		**43,791**	41,090
Other income	*2*	**226**	1,945
Distribution and selling expenses		**(8,451)**	(7,356)
Administrative expenses		**(15,662)**	(10,607)
Finance costs		**(6,449)**	(4,697)
PROFIT BEFORE TAX		**13,455**	20,375
Income tax expenses	*4*	**(2,984)**	(3,174)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	*5*	**10,471**	17,201
EARNINGS PER SHARE			
Basic and diluted	*6*	**3.19 cents**	5.41 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	2011	2010
	HK$'000	*HK$'000*
Non-current asset		
Plant and equipment	**394**	391
Current assets		
Inventories	**–**	706
Trade and bills receivables	**392,574**	391,202
Trade deposits paid	**47,399**	123,373
Prepayments, deposits and other receivables	**594**	520
Amounts due from related companies	**69**	69
Tax recoverable	**230**	1,229
Pledged bank deposits	**3,467**	2,344
Bank balances and cash	**71,888**	46,536
	516,221	565,979
Current liabilities		
Trade and bills payables	**311,909**	206,125
Other payables	**4,828**	6,601
Customer deposits	**52,339**	30,133
Amounts due to directors	**5**	41
Tax liabilities	**4,928**	4,928
Borrowings	**94,515**	287,277
	468,524	535,105
Net current assets	**47,697**	30,874
TOTAL ASSETS LESS CURRENT LIABILITIES	**48,091**	31,265
Capital and reserves		
Share capital	**8,350**	7,950
Reserves	**39,741**	23,315
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**48,091**	31,265

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Share capital *HK$'000*	Share premium *HK$'000*	(Accumulated losses)/ retained profit *HK$'000*	Total *HK$'000*
At 1 January 2010	7,950	28,537	(22,423)	14,064
Total comprehensive income for the year	–	–	17,201	17,201
At 31 December 2010 and 1 January 2011	7,950	28,537	(5,222)	31,265
Total comprehensive income for the year	–	–	10,471	10,471
Share issued	400	7,600	–	8,000
Transaction costs attributable to issue of shares	–	(1,645)	–	(1,645)
At 31 December 2011	8,350	34,492	5,249	48,091

Notes:

1. TURNOVER

The Group's turnover represents the invoiced value of goods sold, net of discounts and sales related taxes.

2. OTHER INCOME

	2011 ***HK$'000***	2010 *HK$'000*
Bank interest income	**83**	14
Compensation income from a subsidiary of a substantial shareholder	**–**	43
Recovery of service deposits previously written off	**–**	1,560
Gain on disposal of plant and equipment	**18**	–
Others	**125**	328
	226	1,945

3. SEGMENT INFORMATION

Information reported to the Board of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. For management purposes, the Group is currently organised into a single segment as trading of consumer electronic products and related parts and components, and all revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to this single operating segment. Accordingly, no segment analysis by business is presented.

Revenue from major products

The Group's revenue from operations was generated from trading of consumer electronic products and related parts and components for both years.

Geographical information

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods:

	2011	2010
	HK$'000	*HK$'000*
People's Republic of China ("PRC")	**1,670,727**	1,115,949
Europe	**407,603**	615,044
Australia	**96,419**	239,708
Hong Kong	**101,673**	132,727
Middle East	**76,040**	151,656
Africa	**24,978**	43,301
Other Asian District	**165,246**	127,214
United States of America ("USA")	**–**	20,349
South America	**181,644**	168,236
	2,724,330	2,614,184

Non-current assets of the Group are located in Hong Kong.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2011	2010
	HK$'000	*HK$'000*
Sichuan Changhong Electric Co. Ltd. ("Sichuan Changhong")	**1,134,478**	617,847
Guangdong Changhong Electrics Co. Ltd.	**N/A[1]**	272,841
Changhong Europe Electric S.R.O	**N/A[1]**	264,717

[1] The corresponding revenue did not contribute over 10% of the total sales of the Group for the year ended 31 December 2011.

4. INCOME TAX EXPENSES

	2011	2010
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current tax	**2,964**	3,174
– Under provision in prior year	**20**	–
	2,984	3,174

Hong Kong Profits Tax is calculated at a rate of 16.5% of the estimated assessable profit for both years.

The tax charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follow:

	2011	2010
	HK$'000	*HK$'000*
Profit before taxation	**13,455**	20,375
Tax at the domestic income tax rate of 16.5% (2010: 16.5%)	**2,220**	3,362
Tax effect of income not taxable for tax purpose	**(23)**	(2)
Tax effect of expenses not deductible for tax purpose	**658**	4
Tax effect of other deductible temporary differences not recognised	**14**	13
Tax effect of tax losses not recognised	**95**	–
Tax effect of utilisation of tax losses previously not recognised	**–**	(203)
Under provision in respect of prior year	**20**	–
Income tax expense	**2,984**	3,174

5. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2011	2010
	HK$'000	*HK$'000*
Depreciation for plant and equipment	**196**	165
Auditor's remuneration	**940**	850
Cost of inventories recognised as an expense	**2,680,539**	2,573,094
Staff costs, including directors' emoluments		
Salaries and related staff costs	**8,158**	7,725
Retirement benefits scheme contributions	**160**	154
	8,318	7,879
Exchange loss, net	**735**	110

6. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2011	2010
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to owners of the Company	**10,471**	17,201

Number of Share	**2011**	2010
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**328,258**	318,000

As there were no dilutive potential shares during the two years ended 31 December 2011 and 2010, the diluted earnings per share is the same as basic earnings per share.

7. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
Hong Kong Accounting Standard ("HKAS") 24 (Revised)	Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
HK (International Financial Reporting Interpretations Committee) ("IFRIC") – Int 14 Amendment	Prepayments of a Minimum Funding Requirement
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

Except as described below, the application of the new and revised HKFRSs had no material effect on the Group's financial performance and positions for the current or prior accounting years and on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2010)

The amendments to HKAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group has chosen to present such an analysis in the notes to the consolidated financial statements with a single-line presentation of other comprehensive income in the consolidated statement of changes in equity. Such amendments have been applied retrospectively, and hence the disclosures in these consolidated financial statements have been modified to reflect the change.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
	Disclosures – Offsetting Financial Assets and Financial Liabilities[4]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[6]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[3]
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[5]
HKAS 19 (as revised in 2011)	Employee Benefits[4]
HKAS 27 (as revised in 2011)	Separate Financial Statements[4]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[4]
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[4]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2012.
[3] Effective for annual periods beginning on or after 1 July 2012.
[4] Effective for annual periods beginning on or after 1 January 2013.
[5] Effective for annual periods beginning on or after 1 January 2014.
[6] Effective for annual periods beginning on or after 1 January 2015.

Amendments to HKFRS 7 Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures when transfers of financial assets are not evenly distributed throughout the period.

The directors anticipate that the application of the amendments to HKFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the future.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and Amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amended offsetting disclosures are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge a accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC)-Int 12 Consolidation – Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and HK (SIC)-Int 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of HKFRS 10 may result in the Group no longer consolidating some of its investees. However, the directors have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

CORPORATE GOVERNANCE REPORT

The Company has applied the Code on Corporate Governance Practices (the "CG Code") contained in appendix 15 to the GEM Listing Rules which sets out corporate governance principles (the "Principles") and code provisions (the "Code Provisions") as far as possible and practicable. An explanation for any deviations is adhered.

CHAIRMAN AND MANAGING DIRECTOR

The Code Provision A.2.1 stipulates that the roles of Chairman and Managing Director should be separated and should not be performed by the same individual.

During the year, Mr. YU Xiao was appointed as chairman and Mr. TANG Yun was appointed as managing director. Despite the aforesaid, the Board will review such arrangement from time to time.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive directors is appointed to a twelve month auto-renewable service agreement with a fixed amount per annum. None of each has served the Group for more than nine years.

All independent non-executive directors have confirmed their independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers they are independent.

REMUNERATION COMMITTEE

The remuneration committee currently comprises three independent non-executive directors and one executive director. It is chaired by an independent non-executive director. During the year, the Committee held a meeting.

AUDITOR'S REMUNERATION

The remuneration of the audit service rendered by the auditor of the Group was mutually agreed in view of the scope of services in the total amount of HK$900,000. The auditor and its affiliates also provided non-audit service of issuing of confirmation letter on continuing connected transaction to the Company which amounted to HK$40,000 during the period.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive directors. At the discretion of the Committee, executive directors and/or senior management personnel, overseeing the Group's finance and internal control functions, may be invited to attend meeting.

During the year, the Committee held four meetings. The annual results for the year ended 31 December 2011 was reviewed by the Committee.

NOMINATION COMMITTEE

The nomination committee currently comprises three independent non-executive directors and one executive director. It is chaired by an executive director. During the year, the Committee did not hold any meeting.

INTERNAL CONTROL

The Board has overall responsibilities for the establishment of, maintaining an adequate and effective internal control system and for reviewing its effectiveness to safeguard the Company's assets against unauthorized use or disposition, and to protect the interests of shareholders of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, the Group engaged in trading business in the consumer electronic industry (the "Trading Business"). The Group has accomplished an improved operating revenue of approximately HK$2,724.33 million and a net profit of approximately HK$10.47 million for the year ended 31 December 2011. The Group's revenue for 2011 was slightly higher than the previous year.

As at 31 December 2011, the Group's gross margin was approximately 1.61% which increased 2.26% as compared with 2010. This was due to continuous effort of the management in the fierce competitive industry.

The Company raised a legal suit on 17 October 2008 at Shanghai in PRC against Apex Digital (Shanghai) Co., Limited (a subsidiary of former substantial shareholder, Apex Digital for the collection of the repayment of approximately HK$6,640,000 which happened by the end of year 2006 and had been provided in the accounts of the year 2007. On 17 April 2009, the suit had been trailed by the court ordering Apex Digital (Shanghai) Co., Limited repay the said amount. Up to the date of this announcement, no actual progress has been made in the collection of the repayment.

In addition, after continuingly efforts by the Company, the service deposit of approximately HK$2,496,000 owed by Ms. Fei Liqiong (an American) has been partially set off in November 2010.

CONTINGENT LIABILITIES

On 12 June 2006, Koninkljke Philips Electronics N.V. and United States Philips Corporation issued a writ of summons to the United States District Court, Central District of California, against eight parties, including the Company, Apex Digital Inc. Limited and Apex Digital, LLC (subsidiaries of the Company), David Ji Long Fen ("Mr. Ji"), Ancle Hse Ann Keh (an ex-executive director of the Company), Apex Digital Inc ("Apex Digital" a former substantial shareholder), United Delta Inc (a ex-beneficial shareholder) and an individual. The defendants were claimed damages for patent infringement for the distribution of unlicensed DVD products within USA.

On 2 August 2007, a settlement has been reached between the plaintiffs and the defendants and the proceedings were dismissed without prejudice. Pursuant to the terms of the settlement, one of the defendants, Apex Digital is to pay a total amount of US$3,284,000 to the plaintiffs by installments. Subsequently, the Group has signed an agreement with Apex Digital (which is wholly-owned by Mr. Ji, director of the Company) that Apex Digital has agreed to bear all the payments, legal and professional fees incurred. Up to the balance sheet date, Apex Digital has paid the amount of US$2,300,000.

Notwithstanding that the amount has not been fully settled according to the terms of settlement, Apex Digital repays the amount by installments continuously subsequent to the balance sheet date and the directors of the Company are not aware of any further action taken by plaintiffs. Accordingly, no provision has been provided for the year ended 31 December 2011.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial and liquidity positions are healthy and stable. As at 31 December 2011, the aggregate outstanding borrowings of the Group were approximately HK$94.52 million which were unsecured and interested bearing (2010: HK$287.27 million). Such fluctuation was within the normal pattern of operations of the Group. The Group's cash and bank balances amounted to approximately HK$71.89 million, together with trading receivables amounted to approximately HK$392.57 million. The Group's net current assets approximate to HK$47.70 million and the Group does not have any charges on its assets. The management is confident that with some proper arrangements for funds, the Group's financial resources are sufficient to finance the daily operation.

The Group's monetary assets and liabilities and transactions are principally denominated in Hong Kong dollars and United States dollars. As the exchange rate between Hong Kong dollars and United States dollars is pegged, the Group believes its exposure to exchange risk is minimal.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2011, the total number of the Group's staff was 19. The total staff costs (including directors) amounted to approximately HK$8.32 million for the year under review. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group provides retirement benefit for its employees in Hong Kong in form of mandatory provident fund.

As at 31 December 2011, there were no outstanding share options. During the year under review, no share option had been granted nor exercised.

The Group did not experience any significant labour disputes or substantial change in the number of its employees that led to any disruption of normal business operations. The Directors consider the Group's relationship with its employees to be good.

OUTLOOK

As the Company has established stable clientele bases of supplier and customers and the financial positions of the Group are continuously improving, the Company is confident that the Trading Business in the consumer electronic industry will build up a steady and considerable income stream for the Group. The management will put more efforts to explore further business opportunities in related industries and will look for suitable investment opportunities in an active but cautious manner to broaden the Group's business. The Board believes that the business will keep on the track and will continue to improve in the near future. The Group's commitment is to create value for shareholders.

DIVIDEND

The Board do not recommend the payment of any dividend in respect of the year (2010: Nil).

INTERESTS OF THE DIRECTORS IN THE COMPANY

As at 31 December 2011, the interests and short positions of the Directors in the ordinary Shares of the Company (the “Shares”), underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

Long positions in Shares

Name of Director	Number of Shares	Capacity	Type of Interest	Approximate percentage of interest %
Mr. Ji	44,520,000	Beneficial owner	Personal	13.33

Note:

(1) On 20/1/2012, Mr. Ji sold 22,260,000 shares to Mr. Yu Shaobo, therefore his interest decreased to 6.67%.

Save as disclosed above, none of the Directors had interests in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate. No options have been granted to the directors up to the date of this announcement.

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS IN THE COMPANY

As at 31 December 2011, the persons or companies (not being a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Long positions in Shares

Name of substantial shareholder	Capacity	Number of Shares	Approximate percentage of interest %
Sichuan Changhong and its subsidiary *(note (a))*	Directly beneficially owned	111,368,000	33.34
Sichuan Investment Management Company Limited	Directly beneficially owned	83,009,340	24.85
Mr. Ji *(note (b))*	Directly beneficially owned	44,520,000	13.33
Ms. Liu Ru Ying *(note (c))*	Through spouse	44,520,000	13.33

Note

(a) On 11/5/2011, Changhong (Hong Kong) Trading Limited (ie. subsidiary of Changhong) subscribed 16,000,000 shares of the Company.

(b) On 20/1/2012, Mr. Ji sold 22,260,000 shares to Mr. Yu Shaobo, therefore his interest decreased to 6.67%.

(c) Ms. Liu Ru Ying is the spouse of Mr. Ji and, under Section 316 of the SFO, is therefore deemed to be interested in all 44,520,000 shares in which Mr. Ji is interested.

Save as disclosed above, the Directors were not aware of any other person who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

COMPETING INTEREST

Apex Digital is wholly owned by Mr. Ji from 10 April 2006. Apex Digital is principally engaged in the wholesaling business of consumer home electronics items under the name of "APEX Digital".

Sichuan Changhong is a substantial shareholder of the Company which incorporated in the PRC and is listed in PRC Stock Exchange. Sichuan Changhong is principally engaged in the wholesaling business of consumer home electronics items under the name of "Changhong".

Save as disclosed above, none of the directors or the management shareholders of the Company (as defined in the Rules Governing the Listing of Securities on GEM) had an interest in a business which competes or may compete with the business of the Group during the period.

COMPLIANCE WITH CODE OF BEST PRACTICE

To the best knowledge of the Board, the Company had complied with the Code of Best Practice as set out in Appendix 15 of the GEM Listing Rules.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTING SECURITIES

During the year under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
Yu Xiao
Chairman

Hong Kong, 26 March 2012

As at the date of this announcement, the Company's executive directors are Mr. David Ji Long Fen, Mr. Xiang Chao Yang, Mr. Wu Xiangtao, Mr Tang Yun, Mr Yu Xiao, Ms. Shi Ping and Mr Rong Dong and the independent non-executive directors of the Company are Mr. Jonathan Chan Ming Sun, Mr. Robert Ip Chun Chung and Mr. Sun Dongfeng.

This announcement will remain on the "Latest Company Announcements" 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.