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## **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)

### **UPDATE ANNOUNCEMENT IN RELATION TO PROLONGED SUSPENSION OF TRADING IN THE SHARES OF THE COMPANY ON THE GROWTH ENTERPRISE MARKET**

On 28 December 2004, trading in the Shares on GEM was suspended pending the release of an announcement in relation to certain price sensitive information on the Company.

In order to resume trading in the Shares, the Company has applied for the resumption of trading in the Shares on GEM and has made various submissions to the Stock Exchange in this connection.

By a letter dated 18 March 2009, the approval-in-principle for the resumption of trading in the Shares was granted by the Stock Exchange subject to the fulfillment of several conditions. The Company is in the process of fulfilling the conditions imposed by the Stock Exchange and the Company expects to resume trading of its Shares on GEM once all the conditions are fulfilled.

**Trading in the Shares on GEM will continue to be suspended until further notice. The release of this announcement does not necessarily indicate that the resumption of trading in the Shares on GEM has been or will be approved by the Stock Exchange. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares. Further announcement(s) will be made when material developments take place.**

## **BACKGROUND INFORMATION AND REASON FOR SUSPENSION**

On 28 December 2004, trading in the Shares on GEM was suspended pending the release of an announcement in relation to certain price sensitive information on the Company.

## **EFFORTS TOWARDS RESUMPTION OF TRADING OF SHARES**

In order to resume trading in the Shares on GEM, the Company has applied for the resumption of trading in the Shares and has made various submissions to the Stock Exchange in this connection.

By a letter dated 18 March 2009, the approval-in-principle for the resumption of trading in the Shares was granted by the Stock Exchange subject to the fulfillment of the following conditions to its satisfaction:—

- (1) the disclosure of actions taken to address the issues pertaining to the suspension of trading in an announcement;
- (2) the issuance of the Convertible Preference Shares;
- (3) the inclusion in the circular to the shareholders a pro forma balance sheet of the Group upon issuance of the Convertible Preference Shares prepared in accordance with Rule 7.31 GEM Listing Rules; and
- (4) the receipt of a comfort letter from the auditors on the Directors' statement on sufficiency of working capital for at least 12 months from resumption.

The management of the Company has commenced discussions with relevant professionals, such as its financial adviser, auditors and legal advisers, as regards the steps and time required to fulfill such conditions and for the resumption of trading. The Company is working towards the fulfillment of such conditions imposed by the Stock Exchange and it is expected that the trading in its Shares on GEM will resume once all the conditions are fulfilled. The current status as regards such conditions is as follows:

- (1) the Company and its professional advisers are working on the relevant announcement to address the relevant issues pertaining to the suspension of the Shares and will make an announcement as soon as practicable;
- (2) the Company is in the process of negotiating the detailed terms of the Convertible Preference Shares with Changhong and has instructed its legal advisers to prepare all legal documents in connection with the issue of the Convertible Preference Shares (including the circular to the shareholders). The proposed issue of the Convertible Preference Shares to Changhong, a connected person of the Company (under the GEM Listing Rules) will constitute a connected transaction (as defined in the GEM Listing Rules) and will be subject to reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules;

- (3) the Company will include an unaudited consolidated pro forma balance sheet of the Group prepared in accordance with Rule 7.31 of the GEM Listing Rules in the circular to be sent to Shareholders relating to the proposed issue of the Convertible Preference Shares; and
- (4) the Company has been in contact with its auditors and based on preliminary discussions, the Company expects that its auditors will in due course be able to issue to the Stock Exchange a comfort letter on the Directors' statement on sufficiency of working capital for at least 12 months from resumption.

**Trading in the Shares on GEM will continue to be suspended until further notice. The release of this announcement does not necessarily indicate that the resumption of trading in the Shares on GEM has been or will be approved by the Stock Exchange. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares. Further announcement(s) will be made when material developments take place.**

## **DEFINITIONS**

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

“Board”	the board of the Directors
“Changhong”	Sichuan Changhong Electric Co. Limited, a company incorporated in the PRC and whose shares are listed on the Shanghai Stock Exchange. Its controlling shareholder is Sichuan Changhong Electronics Group Co., Ltd.
“Company”	China Data Broadcasting Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares (stock code: 8016) are listed on GEM
“Convertible Preference Shares”	the convertible preference shares in the capital of the Company proposed to be issued by the Company, on such terms as set out in a subscription agreement to be entered into between the Company and Changhong (or such other affiliate of Changhong as it may nominate)
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time

“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“PRC”	the People’s Republic of China, which, solely for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China, and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For and on behalf of  
**China Data Broadcasting Holdings Limited**  
**Yu Xiao**  
*Chairman*

Hong Kong, 27 March 2009

*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. Wang Zhenhua and the Company’s independent non-executive directors are Mr. Jonathan Chan Ming Sun, Mr. Robert Ip Chun Chung, Robert and Mr. Sun Dongfeng.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will appear on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the day of its posting thereon.*

\* *For identification purposes only*