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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)

Notice of SGM

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders 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, at 10:30 a.m. on Thursday, 27 August 2009 for the purpose of considering and, if thought fit, passing with or without amendments the following resolutions as a special resolution and an ordinary resolution of the Company:

SPECIAL RESOLUTION

“**THAT**:–

- (a) the authorised share capital of the Company of HK\$30,000,000 comprising 1,200,000,000 ordinary shares of HK\$0.025 each (“**Ordinary Shares**”) be increased to HK\$100,000,000 by the creation of 3,950,000,000 Ordinary Shares and 50,000,000 non-redeemable convertible cumulative preference shares of HK\$0.025 each (“**Preference Shares**”), such Ordinary Shares and such Preference Shares to have attached thereto the respective rights and privileges and subject to the respective restrictions as set out in the Bye-laws of the Company (as amended in accordance with this resolution, and as may be further amended from time to time and for the time being in force); and
- (b) the Bye-laws of the Company be and are hereby amended in the following manner:
 - (i) by deleting the existing Bye-law 3(1) in its entirety and substituting therefor the following new Bye-law 3(1):

* *for identification only*

“The share capital of the Company is divided into ordinary shares of HK\$0.025 each and non-redeemable convertible cumulative preference shares of HK\$0.025 each (the “**Preference Shares**”). The Preference Shares shall confer on the holders thereof the respective rights and privileges and be subject to the respective restrictions as set out in Bye-law 9A”; and

- (ii) by inserting the following new Bye-law 9A immediately after Bye-law 9 of the Bye-laws of the Company:

9A Convertible Preference Shares

(1). Definitions

For the purpose of this Bye-law 9A, the following terms shall have the following meanings:

“Alternative Stock Exchange”	any stock exchange other than the Hong Kong Stock Exchange on which the Ordinary Shares, if not then listed on the Hong Kong Stock Exchange, are listed;
“Business Day”	a day (excluding Saturday) on which licensed banks are generally open for business in Bermuda and Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant;
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant;
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant;
“Conversion Date”	the Business Day immediately following the date of surrender of the certificate in respect of the relevant Preference Shares and delivery of an effective Conversion Notice pursuant to Bye-law 9A(6);

“Conversion Event”	the conversion of Preference Shares by a Preference Shareholder pursuant to Bye-law 9A(6)(a);
“Conversion Notice”	a notice served by any Preference Shareholder from time to time stating that such Preference Shareholder wishes to exercise the Conversion Right in respect of one or more Preference Shares held by such Preference Shareholder, in substantially the form prescribed by the Company from time to time;
“Conversion Price”	as of any Conversion Date, the Conversion Price, as adjusted from time to time in accordance with Bye-law 9A(7). The initial conversion price as at the Issue Date is HK\$0.30;
“Conversion Rate”	the rate for conversion of the Preference Shares into Ordinary Shares as determined in accordance with Bye-law 9A(6)(c);
“Conversion Right”	the right, subject to the provisions of Bye-law 9A(6), of Preference Shareholders to convert any Preference Share into Ordinary Shares;
“Converting Shareholder”	a Preference Shareholder all or some of whose Preference Shares are being or have been converted into Ordinary Shares;
“Dividend”	in relation to each Preference Share, a fixed cumulative preferential cash dividend in Hong Kong dollars payable annually thereon to its holder at the rate of 4.5% per annum on the Reference Amount;
“GEM”	the Growth Enterprise Market of Hong Kong Stock Exchange;
“Group”	the Company and its subsidiaries; and the expression “member of the Group” shall be construed accordingly;
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Independent Financial Adviser”	an independent investment bank or financial advisory firm that is licensed under the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) in Hong Kong, reasonably selected by the Company and acting as an expert;
“Issue Date”	the date of allotment and issue of the Preference Shares;
“Listing Rules”	Rules Governing the Listing of Securities on GEM and/or such other listing rules to which the Company is subject;
“Ordinary Shares”	ordinary shares of HK\$0.025 each in the capital of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the ordinary share capital of the Company, such ordinary shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or reconstruction;
“Other Pari Passu Shares”	Shares ranking pari passu as regards dividends with the Preference Shares;
“Preference Shareholder”	a person registered from time to time in the register of members of the Company as a holder of Preference Share(s);
“Preference Shares”	the non-redeemable convertible cumulative preference shares of HK\$0.025 each in the capital of the Company, the rights of which are set out in Bye-law 9A;
“Public Float Requirement”	the requirement under the Listing Rules applicable to the Company that not less than a specified percentage of the Shares which are listed on the Hong Kong Stock Exchange shall be held by the public for the purpose of the Listing Rules;
“Record Date”	the date and time by which a subscriber, transferee or holder of securities of the class in question would have to be registered in order to participate or be entitled to in the relevant distribution or rights;
“Reference Amount”	the issue price of the Preference Shares;
“Register”	has the meaning given to it in Bye-law 9A(9)(a);
“SFC”	the Securities and Futures Commission of Hong Kong;

“Shares”	shares in the capital of the Company;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Trading Day”	any day on which the Hong Kong Stock Exchange (or the Alternative Stock Exchange, as the case may be) is open for the business of dealing in securities.

(2). Dividend

- (a) Subject to the Act, each Preference Share shall confer on the holder thereof the right to receive out of the funds of the Company available for distribution and resolved to be distributed the Dividend pari passu with holders of Other Pari Passu Shares but otherwise in priority to any other class of Shares from time to time in issue (including the Ordinary Shares).
- (b) The Dividend shall be cumulative and payable in Hong Kong dollars annually in arrears on 31 December in each year, shall accrue from day to day and shall be calculated on the basis of a 365 day year and, the actual number of days elapsed. The first Dividend shall be payable on 31 December 2009 and any Dividend that has accrued prior to the Conversion Date but remains unpaid on the Conversion Date shall be payable upon the Conversion Date, provided that without prejudice to the rights of the Preference Shareholders hereunder and subject to compliance with the Act, any unpaid Dividend shall accrue as a debt due by the Company to the Preference Shareholder and be repayable on demand which shall bear interest at the rate of 4.5% per annum from the date when such Dividend is due and payable to the date when such Dividend is paid in full together with interest thereon to the Preference Shareholder.
- (c) No dividend shall be paid to the holders of any Shares other than Pari Passu Shares (and then, only at the same time as the Preference Shareholders) unless and until any outstanding Dividend has been paid in full.
- (d) To the extent that any Dividend is not paid on the Preference Shares and/or any Other Pari Passu Shares, it shall accumulate and any such arrears of Dividend shall be payable to the Preference Shareholders and/or to the holders of any Other Pari Passu Shares, pari passu as between themselves, in preference to any other distribution in respect of any other class of Shares (including the Ordinary Shares). The Preference Shares shall not entitle the holders thereof to any further or other right of participation in the profits of the Company.
- (e) Notwithstanding the generality of the foregoing and subject to Bye-law 9A(6) below, upon any conversion of Preference Shares the Preference Shareholder shall be entitled to a pro rata portion of such Dividend that has accrued thereon up to the date immediately prior to the service of the relevant Conversion Notice.

- (f) To the extent that the Company shall have insufficient profits available for distribution in order to permit it to pay all or any of such additional amounts as aforesaid the amount of any shortfall shall be treated for all purposes as arrears of dividend.

(3). Distribution of Assets

On a distribution of assets on liquidation, winding-up or dissolution of the Company or otherwise (but not on conversion of Preference Shares or any repurchase by the Company of Preference Shares or any other Shares), the assets and funds of the Company available for distribution among the members of the Company shall, subject to applicable laws, be applied in the following priority:

- (a) first, in paying to the Preference Shareholders and the holders of any Other Pari Passu Shares, pari passu as between themselves, a sum equal to any arrears and accruals of the Dividend payable respectively on the Preference Shares and such Other Pari Passu Shares held by them, respectively, to be calculated down to and inclusive of the date of the distribution of assets and to be payable whether or not any of such dividends have been declared and whether or not the Company has sufficient funds available for dividend or distribution;
- (b) secondly, in paying to the Preference Shareholders (pro rata to the aggregate of the Reference Amounts of the Preference Shares held by each such holder), pari passu as between themselves and the holders of any Other Pari Passu Shares by reference to the aggregate nominal amounts of the Preference Shares and the Other Pari Passu Shares, an amount equal to, respectively, the aggregate of the Reference Amounts of all of the Preference Shares and the issue price of such Other Pari Passu Shares and any premium payable thereon; and
- (c) thirdly, the balance of such assets shall belong to and be distributed on a pari passu basis among the holders of any class of Shares, other than the Preference Shares and any other Shares not entitled to participate in the distribution of such assets, in accordance with the respective rights attaching thereto.

(4). Ranking of the Preference Shares

Save as expressly provided in this Bye-law 9A, each Preference Share shall have the same rights as each of the Ordinary Shares. The Company may issue, without obtaining the consent of the Preference Shareholders, shares ranking senior and in priority to or pari passu with the Preference Shares as regards order of the participation in profits or assets and carrying such rights as to rates of dividend, voting, redemption, conversion, exchange or otherwise as the Directors may determine, or as the Company may by ordinary resolution determine.

(5). Voting

- (a) The Preference Shares shall not confer on the holders thereof the right to receive notice of, or to attend and vote at, a general meeting of the Company, unless a resolution is to be proposed at a general meeting for winding-up the Company or a resolution is to be proposed which if passed would (subject to any consents required for such purpose being obtained) vary or abrogate the rights or privileges of the Preference Shareholders or vary the restrictions to which the Preference Shares are subject, in which event the Preference Shares shall confer on the holders thereof the rights to receive notice of, and to attend and vote at, that general meeting, save that such holders may not vote upon any business dealt with at such general meeting except the election of a Chairman, any motion for adjournment and the resolution for winding-up or the resolution which if passed would (subject to any consents required for such purpose being obtained) so vary or abrogate the rights and privileges of the Preference Shareholders or vary the restrictions to which the Preference Shares are subject.
- (b) Where Preference Shareholders are entitled to vote on any resolution then, at the relevant general meeting or class meeting, on a show of hands every Preference Shareholder who is present in person or by proxy or (being a corporation) by a representative shall have one vote and on a poll every Preference Shareholder who is present in person or by proxy or (being a corporation) by a representative shall have one vote for each Ordinary Share into which each Preference Share held by him would be converted if the Conversion Date for such Preference Share were the date 48 hours preceding the date of such general meeting or class meeting.

(6). Conversion

- (a) The Preference Shares shall be convertible at the option of the Preference Shareholder, at any time after the Issue Date and without the payment of any additional consideration therefor, into such number of fully-paid Ordinary Shares as determined in accordance with the then effective Conversion Rate. Notwithstanding the generality of the foregoing in respect of any conversion of Preference Shares, the Converting Shareholders shall be entitled to a pro rata portion of such Dividend that has accrued thereon up to the date immediately prior to the service of a Conversion Notice on the Company to require the Company to convert such Preference Shares to Ordinary Shares.
- (b) Subject to paragraph (f)(i) below, the number of Ordinary Shares to which a Converting Shareholder shall be entitled upon conversion following a Conversion Event shall be the number obtained by multiplying the Conversion Rate then in effect by the number of Preference Shares being converted.

- (c) The Conversion Rate of each Preference Share shall be determined by dividing the Reference Amount of each Preference Share by the Conversion Price in effect at the time of conversion provided that the Conversion Price shall not be less than the then subsisting nominal value of an Ordinary Share into which such Preference Share is convertible.
- (d) (i) Any Preference Shareholder who wishes to convert one or more Preference Shares held by it pursuant to paragraph (a) above shall deliver to the Company at its principal place of business in Hong Kong a Conversion Notice. The Conversion Notice shall be deemed to have been served on the fifth Business Day following the day of posting if sent by registered post (or by pre-paid airmail if posted from outside Hong Kong).
- (ii) The relevant Preference Shareholder shall deliver to the Company at its principal place of business in Hong Kong for surrender the certificate(s) evidencing the Preference Shares to be converted or, if such certificates have been lost or destroyed, such evidence of title as the Company may reasonably require, at the same time and together with the Conversion Notice given by such Preference Shareholder pursuant to paragraph (d)(i) above.
- (iii) Upon delivery of the Conversion Notice and the certificate(s) evidencing the Preference Shares to be converted by the holder thereof to the Company, the Company shall promptly, and in any event no later than 5 Business Days after the date of receipt of such Conversion Notice and certificate(s):
- (1) issue and deliver to such holder (a) certificate(s) for the number of Ordinary Shares into which the Preference Shares are converted in the name as shown on the certificate(s) evidencing the Preference Shares so surrendered to the Company; or
 - (2) (if so instructed by the Converting Shareholder in the Conversion Notice) issue in the name of HKSCC Nominees Limited, cause to be deposited into CCASS and credited into the CCASS Investor Participant stock account or the stock account of the designated CCASS Participant as instructed in the Conversion Notice, such number of Ordinary Shares into which the Preference Shares are converted,
- in each case together with cash in lieu of any fraction of an Ordinary Share in accordance with paragraph (f) below.
- (e) The Company shall ensure that at all times there is a sufficient number of unissued Ordinary Shares in its authorised share capital to be issued in satisfaction of the exercise of the Conversion Rights of the Preference Shares.

- (f) (i) No fraction of an Ordinary Share arising on conversion will be allotted to the Converting Shareholder of the relevant Preference Share(s) otherwise entitled thereto but such fractions will, when practicable, be aggregated and sold and the net proceeds of sale will then be distributed pro rata among such holders unless in respect of any holding of relevant Preference Shares the amount to be so distributed would be less than HK\$100 (or its equivalent in another currency at a prevailing exchange rate selected by the Directors), in which case such amount will not be so distributed but will be retained for the benefit of the Company. Unless otherwise agreed between the Company and a Converting Shareholder, if more than one Preference Share shall fall to be converted pursuant to any one Conversion Notice, the number of Ordinary Shares to be issued upon conversion shall be calculated on the basis of the aggregate Reference Amount of the relevant Preference Shares. For the purpose of implementing the provisions of this sub-paragraph, the Company may appoint some person to execute transfers, renunciations or other documents on behalf of persons entitled to any such fraction and generally may make all arrangements which appear to it to be necessary or appropriate for the settlement and disposal of fractional entitlements.
- (ii) In the event of a consolidation or re-classification of Ordinary Shares by operation of law or otherwise occurring after the Issue Date which reduces the number of Ordinary Shares outstanding, the Company will upon conversion pay in cash (in Hong Kong dollars by means of a Hong Kong dollar cheque drawn on a licensed bank in Hong Kong) a sum equal to such portion of the Reference Amount of the Preference Share or Preference Shares evidenced by the certificate deposited in connection with the exercise of Conversion Rights as corresponds to any fraction of a Ordinary Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds HK\$100.
- (g) (i) Notwithstanding anything to the contrary herein, if the issue of Ordinary Shares following the exercise by a Preference Shareholder of the Conversion Rights relating to any of the Preference Shares held by such Preference Shareholder would result in the Company not meeting the Public Float Requirement immediately after the conversion, then the number of Ordinary Shares to be issued pursuant to such conversion shall be reduced to the maximum number of Ordinary Shares issuable by the Company which would not in the reasonable opinion of the Company result in a breach of the Public Float Requirement and the balance of the Conversion Rights attached to the Preference Shares which the Preference Shareholder sought to convert shall be suspended until such time when the Company is able to issue additional Ordinary Shares in satisfaction of the exercise of the said balance of Conversion Rights and at the same time comply with the Public Float Requirement.

- (ii) In the event that paragraph (g)(i) above shall affect the exercise of the Conversion Right of any Preference Shareholder, the Company shall use reasonable endeavours to procure that there will be a sufficient number of Shares in public hands for the purposes of the Listing Rules so that all Preference Shares suspended from conversion may be converted to the fullest extent as soon as practicable without causing the Company to breach the Public Float Requirement.
- (h) Each Converting Shareholder shall comply with all applicable provisions of the Takeovers Code.

(7). Conversion Price Adjustments

- (a) The Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions:
 - (i) if and whenever the Ordinary Shares by reason of any consolidation or sub-division or reclassification become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division or reclassification becomes effective;
 - (ii) if and whenever the Company shall issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account), then the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Ordinary Shares immediately before such issued and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Ordinary Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate, respectively) from the commencement of the day next following the Record Date for such issue.
- (b) If the Conversion Price is adjusted with effect (retroactively or otherwise) from a date on or before the date on which the names of the Preference Shareholders whose Preference Shares are converted into Ordinary Shares pursuant hereto or such other persons as they may direct are entered into the register of holders of Ordinary Shares of the Company and such Preference Shareholders, entitlement were arrived at on the basis of unadjusted Conversion Price, the Company shall procure that such number of Ordinary Shares which would have been required to be issued on conversion of such Preference Shares if the relevant adjustment had been given effect to as at the date of conversion shall be allotted and issued to such Preference Shareholders or such other persons as they may direct.

- (c) Notwithstanding the provisions of paragraph (a) above, in any circumstances where the Directors shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or at a different time from that provided for under the provisions, the Company may appoint an Independent Financial Adviser, to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if the Independent Financial Adviser shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner including without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time as shall be certified by the Independent Financial Adviser to be in its opinion appropriate.
- (d) Any adjustment to the Conversion Price shall be made to the nearest cent so that any amount under half a cent shall be rounded down and an amount of half a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Ordinary Shares into shares of a larger nominal amount or upon a repurchase of Ordinary Shares) involve an increase in the Conversion Price.
- (e) No adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions would be less than one cent.
- (f) Where the result of any act or transaction of the Company, having regard to the provisions of this Bye-law 9A(7), would be to reduce the Conversion Price to below the nominal amount of an Ordinary Share, no adjustment to the Conversion Price shall be made pursuant to any of the relevant provisions of this Bye-law 9A(7) unless (i) the Bye-Laws of the Company shall be in such form, or shall have been altered or added to in such manner, as may be necessary or appropriate to enable this paragraph (f) to be implemented, and (ii) implementation of such provisions is not prohibited by and is in compliance with the provisions of the Act.
- (g) Whenever the Conversion Price is adjusted, the Company shall give notice to the Preference Shareholders that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof).

(8). Redemption

The Preference Shares shall be non-redeemable by the Company or the holders thereof.

(9). Registration

- (a) The Company shall maintain and keep a full and complete register (“**Register**”) as required by applicable laws for purposes of determining the Preference Shares in issue and the Preference Shareholders and recording any transfer, purchase, conversion and/or cancellation of the Preference Shares and the issue of any replacement certificate in respect of the Preference Shares in substitution for any mutilated, defaced, lost, stolen or destroyed certificate in respect of any Preference Shares and of sufficient identification details of all Preference Shareholders from time to time holding the Preference Shares.
- (b) As soon as practicable, and in any event not later than 5 Business Days after the Conversion Date, the Company will, register or procure that its agent to register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Ordinary Shares in the Register and will mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice.
- (c) Preference Shares which are converted will be cancelled by removal of the holder’s name from the Register on the relevant Registration Date (as defined in paragraph (e) below).
- (d) If the Registration Date in relation to any Preference Share shall be on or after a date with effect from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions in this Bye-law and the relevant Registration Date falls on a date when the relevant adjustment has not yet been reflected in the then current Conversion Price, the Company will procure that the provisions of paragraph (b) above shall be applied *mutatis mutandis* to such number of Ordinary Shares as is equal to the excess of the number of Ordinary Shares which would have been required to be issued on conversion of such Preference Share if the relevant retroactive adjustment had been given effect as at the said Registration Date over the number of Ordinary Shares previously issued (or which the Company was previously bound to issue) pursuant to such conversion, and in such event and in respect of such number of Ordinary Shares references to the Conversion Date shall be deemed to refer to the date upon which such retroactive adjustment becomes effective (disregarding the fact that it becomes effective retroactively).
- (e) The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Ordinary Shares issuable upon conversion with effect from the date he is or they are registered as such in the Register (the “**Registration Date**”). Save as set out in this Bye-law 9A(9), a holder of Ordinary Shares issued on conversion of Preference Shares shall not be entitled to any rights the Record Date for which precedes the relevant Registration Date.

(10). Undertakings

So long as any Preference Share remains capable of being converted into Ordinary Shares:

- (i) the Company will use all reasonable endeavors (1) to maintain a listing for all the issued Ordinary Shares on the Hong Kong Stock Exchange (or the Alternative Stock Exchange, as the case may be) and (2) to obtain and maintain a listing for any Ordinary Shares issued upon conversion of the Preference Shares on the Hong Kong Stock Exchange; and
- (ii) the Company shall pay all fees, capital and stamp duties payable in Hong Kong, if any, in respect of the issue of Ordinary Shares upon conversion of any Preference Shares.

(11). Taxation

All payments by the Company to the holders of the Preference Shares shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Hong Kong or other taxation authority unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, subject to the Company having sufficient profits available for distribution, the Company shall pay such additional amounts as may be necessary in order that the net amounts received by the Preference Shareholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the relevant Preference Shares in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Preference Shareholder:

- (a) who is liable to such taxes, duties, assessment or governmental charges in respect of such Preference Shares by reason of his or its having some connection with Hong Kong other than by virtue of his or its being a Preference Shareholder; or
- (b) receiving such payment in Hong Kong and who would be able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration of non-residence or other similar claim for exemption to the Hong Kong tax authority but fails to do so.

(12). Payments

- (a) Payment of all amounts in respect of the Preference Shares under the terms and conditions thereof shall be made on the due dates into such bank account as the holder of the relevant Preference Shareholder may notify the Company by at least 5 Business Days' prior notice in writing from time to time. All payments made by the Company in respect of the Preference Shares pursuant to the terms and conditions of this By-law 9A shall be made in Hong Kong dollars in immediately available funds.
- (b) If the due date for payment of any amount in respect of the Preference Shares is not a Business Day, the Preference Shareholder will be entitled to payment on the next following Business Day in the same manner together with interest accrued in respect of any such delay.
- (c) If at any time any payments (whether by way of distribution or on a return of capital or otherwise) which are required to be made pari passu as between the holders of the Preference Shares and Other Pari Passu Shares shall not be made in full, in determining the amounts payable to the Preference Shareholders such amounts shall be calculated in Hong Kong dollars (calculated based on the exchange rate quoted by The Hongkong and Shanghai Banking Corporation Limited for the purchase of Hong Kong dollars with HK dollars by telegraphic transfer at 5:00 p.m. on the day immediately preceding the date of the date of the relevant payment) on:
 - (i) in the case of any distribution, the date on which such distribution is cleared.
 - (ii) in the case or a return of a capital, the date on which such return or capital shall become due; and
 - (iii) in the case of any other payment, the date on which such payment shall become due.
- (d) All payments or distributions with respect to Preference Shares held jointly by two or more persons shall be paid or made to whichever of such persons is named first in the Register and the making of any payment or distribution in accordance with this sub-paragraph shall discharge the liability of the Company in respect thereof.

(13). Transfer

The Preference Shares (and each of them) may be assigned or transferred by the holder thereof without restriction, Provided That the holder thereof shall give prior written notice to the Company and (if applicable) the Hong Kong Stock Exchange where the assignee or transferee is a connected person of the Company (as defined in the Listing Rules). The Company shall facilitate any such assignment or transfer of the Preference Shares.”

ORDINARY RESOLUTION

“**THAT**, subject to the passing of the resolution set out as Resolution No.1 in the notice convening this meeting as a special resolution of the Company,:

- (a) the subscription agreement entered into between the Company and Changhong (Hong Kong) Trading Limited dated 14 July 2009 (the “**Subscription Agreement**”) in relation to the subscription of 50,000,000 non-redeemable convertible cumulative preference shares (“**Subscription CP Shares**”) at an aggregate subscription price of HK\$15,000,000, a copy of which has been produced to the meeting and initialed by the chairman of the meeting for the purposes of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval for the listing of and permission to deal in the shares in the capital of the Company issuable upon the exercise of the conversion rights attaching to the Subscription CP Shares in accordance with the Bye-laws of the Company (as amended in accordance with the special resolution above, and as may be further amended from time to time and for the time being in force), the allotment and issue of the Subscription CP Shares pursuant to the terms of the Subscription Agreement and of any shares in the capital of the Company which may fall to be issued upon the exercise of the conversion rights attaching to the Subscription CP Shares be and are hereby approved; and
- (c) any one or more directors of the Company be and are hereby authorised to allot and issue the Subscription CP Shares in accordance with the terms of the Subscription Agreement and any shares in the capital of the Company issuable upon the exercise of the conversion rights attaching to the Subscription CP Shares and to do all such further acts and things and execute such further documents and take all steps which, in his (or their) opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of, and all transactions contemplated under, the Subscription Agreement for and on behalf of the Company and to approve any changes and amendments thereto as he (or they) may consider necessary, desirable or expedient.”

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

Hong Kong, 4 August 2009

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. 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 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 translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- vi Attendants should bear their own travelling, accommodation and other expenses.

As at the date of this notice, 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 and Mr. Sun Dongfeng.

This notice, 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 notice 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 notice misleading; and (iii) all opinions expressed in this notice have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This notice 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.