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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)

CONTINUING CONNECTED TRANSACTIONS

Revised Cap for Existing Continuing Connected Transactions

During the course of review of the Company's continuing connected transactions in mid October 2009, the Board noted that the transactions between the Group and Changhong under the Master Purchase Agreement for the period from 1 January 2009 to 30 September 2009 in the amount of HK\$699,668,000 has exceeded the 2009 annual cap under the Master Purchase Agreement approved by the Independent Shareholders at the Company's special general meeting held on 18 September 2007. Accordingly, the Company proposes to revise the 2009 annual cap in relation to the Master Purchase Agreement from HK\$526,500,000 to HK\$1,250,000,000.

Pursuant to Rule 20.36 of the GEM Listing Rules, where a previously announced annual cap is exceeded, the Company must re-comply with the reporting, announcement and/or independent shareholders' approval requirements as set out in Rule 20.35(3) and Rule 20.35(4) of the GEM Listing Rules.

New Continuing Connected Transactions

The existing Master Supply Agreement and the Master Purchase Agreement will expire on 31 December 2009. In order to continue the supply and purchase of various electronic components and products between the Company and Changhong following 31 December 2009, on 20 November 2009, the New Master Supply Agreement and the New Master Purchase Agreement were entered into. These agreements set out the framework within which the relevant electronic components and products to be supplied or purchased by the Group and in particular the key terms and conditions and general principles to be adopted by the Group when they place or accept specific orders from time to time with or from Changhong or any of its subsidiaries for the supply or purchase of the relevant electronic components and products.

As Changhong is a substantial shareholder interested in 29.99% of the issued share capital of the Company, it is a connected person of the Company under the GEM Listing Rules. Accordingly, transactions under the New Master Supply Agreement and the New Master Purchase Agreement constitute continuing connected transactions of the Company under the GEM Listing Rules.

As the applicable percentage ratios in respect of the Revised Cap and each of the relevant percentage ratios for the annual caps of the New Continuing Connected Transaction Agreements are more than 2.5%, the Revised Cap and the transactions contemplated under the New Continuing Connected Transaction Agreements will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 20.45 to 20.48 of the GEM Listing Rules. Changhong and its associates will abstain from voting at the SGM and the vote to be taken at the SGM with respect to the Revised Cap and the New Continuing Connected Transactions shall be conducted by poll.

A circular containing information relating to the Revised Cap, the New Continuing Connected Transactions, a letter from the Independent Board Committee, a letter setting out the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with a notice to convene the SGM to approve the Revised Cap and the New Continuing Connected Transactions and the respective annual caps under each of the New Continuing Connected Transaction Agreements will be issued to the Shareholders as soon as practicable.

REVISED CAP FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

During the course of review of the Company's continuing connected transactions in mid October 2009, the Board noted that the transactions between the Group and Changhong under the Master Purchase Agreement for the period from 1 January 2009 to 30 September 2009 in the amount of HK\$699,668,000 has exceeded the 2009 annual cap under the Master Purchase Agreement approved by the Independent Shareholders at the Company's special general meeting held on 18 September 2007. Accordingly, the Company proposes to revise the 2009 annual cap in relation to the Master Purchase Agreement from HK\$526,500,000 to HK\$1,250,000,000.

Due to the global financial crisis in 2008, the Board noted that a significant amount of purchase orders from the Group's customers were put off and only consummated in 2009. As a result of this surge in demand in 2009, the Group needed to purchase more consumer electronic products from Changhong and the transaction amount for 2009 under the Master Purchase Agreement is higher than anticipated. As at 30 September 2009, the Group's transaction amount under the Master Purchase Agreement was HK\$699,668,000. In view of this, the Directors consider it necessary to revise the 2009 annual cap under the Master Purchase Agreement. Based on the value of transactions conducted for the period from 1 January 2009 to 31 October 2009 and the anticipated purchase orders from the Group's customers for the period from 1 November 2009 to 31 December 2009, the Directors expect that the aggregate transaction amount under the Master Purchase Agreement for the year ending 31 December 2009 will not exceed HK\$1,250,000,000. The Directors consider that the Revised Cap will allow the Group to

purchase on average approximately HK\$180,000,000 worth of consumer electronic products from Changhong per month for the three months ending 31 December 2009. In view of the purchase orders received so far and the anticipated demand from the Group's customers, the Directors consider that the Revised Cap is adequate.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of an independent financial adviser) consider that the transactions under the Master Purchase Agreement in 2009 were entered into in the ordinary and usual course of business of the Company and that the Revised Cap are on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

NEW CONTINUING CONNECTED TRANSACTIONS

The existing Master Supply Agreement and the Master Purchase Agreement will expire on 31 December 2009. In order to continue the supply and purchase of various electronic components and products between the Company and Changhong following 31 December 2009, on 20 November 2009, the New Master Supply Agreement and the New Master Purchase Agreement were entered into. The New Continuing Connected Transactions comprise transactions carried out by the Group with Changhong and its subsidiaries under the New Master Supply Agreement and the New Master Purchase Agreement.

NEW MASTER SUPPLY AGREEMENT

Date:	20 November 2009
Parties:	(i) the Company (as the supplier) (ii) Changhong (as the purchaser)
Subject:	Supply of electronic products and components including but not limited to LCD screens, PDP screens, Cathode Ray Tube and various parts and components such as Integrated Circuit, plugs, sockets and voltage regulators etc which may be required by Changhong and its subsidiaries and which the Group may be able to supply in circumstances which are of commercial benefit to the Group.
Term:	With effect from 1 January 2010 to 31 December 2012, subject to the approval by the Independent Shareholders.
Price:	To be determined by reference to the prevailing market price and demand of the relevant electronic products and components and no less favorable to the Group than those available to Independent Third Parties.
Payment terms:	Depends on the products to be supplied and volume and time of delivery for each transaction. It is generally expected that payment shall be made by telegraphic transfer within 35 days to 45 days from the date of delivery or by irrevocable letter of credit.

The following table sets out the historical amounts and the proposed annual caps of the relevant electronic products and components supplied/to be supplied by the Group to Changhong and its subsidiaries from 2007 to 2012:

Year	Approved Annual Cap (HK\$'000)	Actual Amount Supplied by the Group (HK\$'000)	Proposed Annual Cap (HK\$'000)
2007 (from 18 September 2007 to 31 December 2007)	903,357	290,733	–
2008	2,106,000	1,085,976	–
2009	2,184,000	1,230,545 (up to 30 September 2009)	–
2010	–	–	2,090,000
2011	–	–	2,299,000
2012	–	–	2,528,900

It is proposed that the annual caps of the relevant electronic products and components to be supplied by the Group to Changhong and its subsidiaries for the financial years ending 31 December 2010, 31 December 2011 and 31 December 2012 will not exceed HK\$2,090,000,000, HK\$2,299,000,000 and HK\$2,528,900,000, respectively. The proposed annual caps for 2010, 2011 and 2012 have been determined by reference to the value of electronic products and components supplied by the Group to Changhong and its subsidiaries for the period from 18 September 2007 to 30 September 2009 and the anticipated increase in demand and expansion of customer base in the consumer electronic products market, in line with the overall growth of the PRC economy.

The proposed annual cap for 2010 has been determined by reference to the estimated value of actual supply by the Group to Changhong in 2009 under the Master Supply Agreement in the amount of approximately HK\$1,900,000,000 and the anticipated increase in demand by Changhong assuming that the supply of electronic products and components to Changhong by the Group in 2010 will increase approximately 10% over the expected annual actual supply value in 2009.

The proposed annual caps for 2011 and 2012 represent respectively approximately a 10% increment over the previous year's annual cap based on Changhong's projected increase in revenue and projected growth of its business in view of the increase in demand and the expansion of customer base in the consumer electronic products market, in line with the overall growth of the PRC economy.

NEW MASTER PURCHASE AGREEMENT

Date:	20 November 2009
Parties:	(i) Changhong (as the supplier) (ii) the Company (as the purchaser)
Subject:	Purchase of consumer electronic products such as colour televisions, air-conditioners and fridges etc which may be required by the Group and which Changhong and its subsidiaries may be able to supply in circumstances which are of commercial benefit to the Group
Term:	With effect from 1 January 2010 to 31 December 2012, subject to the approval by the Independent Shareholders.
Price:	To be determined by reference to the prevailing market price and demand of the relevant consumer electronic products and no less favourable to the Group than those available from Independent Third Parties.
Payment terms:	Depends on the products to be purchased and volume and time of delivery for each transaction. It is generally expected that payment shall be made by telegraphic transfer payable within 35 days to 45 days from the date of delivery or by transferable letter of credit.

The following table sets out the historical amounts and the proposed annual caps of the relevant consumer electronic products purchased/to be purchased by the Group from Changhong and its subsidiaries from 2007 to 2012:

Year	Approved Annual Cap (HK\$'000)	Actual Amount Purchased by the Group (HK\$'000)	Proposed Annual Cap (HK\$'000)
2007 (from 18 September 2007 to 31 December 2007)	239,538	48,820	—
2008	468,000	314,938	—
2009	526,500	699,668 (up to 30 September 2009)	—
2010	—	—	1,375,000
2011	—	—	1,512,500
2012	—	—	1,663,750

It is proposed that the annual caps of the relevant consumer electronic products to be purchased by the Group from Changhong and its subsidiaries for the financial years ending 31 December 2010, 31 December 2011 and 31 December 2012 will not exceed HK\$1,375,000,000, HK\$1,512,500,000 and HK\$1,663,750,000, respectively. The proposed annual caps for 2010, 2011 and 2012 have been determined by reference to the value of consumer electronic products purchased by the Group from Changhong and its subsidiaries for the period from 18 September 2007 to 30 September 2009 and the anticipated increase in customer demand in light of the expected global economic recovery.

The proposed annual cap for 2010 has been determined by reference to the estimated value of actual purchase by the Group from Changhong in 2009 under the Master Purchase Agreement in the amount of approximately HK\$1,250,000,000 and the anticipated increase in demand by the Group's customers due to expected global economic recovery in the following years assuming that the purchase of electronic product from Changhong by the Group in 2010 will increase approximately 10% over the expected annual actual purchase value in 2009.

The proposed annual caps for 2011 and 2012 represent respectively approximately a 10% increment over the previous year's annual cap based on the projected growth of the Group's business in view of the increase in demand and the expansion of customer base in the consumer electronic products market, in light of the expected global economic recovery.

REASONS FOR THE NEW CONTINUING CONNECTED TRANSACTIONS

The Group is principally engaged in the trading of consumer electronic products and related parts and components. The Group has been engaged in the business of trading of electronic products since 2001. Especially during 2003 to 2004, the Group has purchased huge amount of consumer electronic products such as DVD players, CRT TVs etc from suppliers in China and sold those products to retailers and other customers in the US market and the European market. At the same time, the Group also purchased electronic parts and components or solutions which were used in the production of consumer products from overseas and sold those parts and components to manufacturers of consumer electronic products in China.

Changhong and its subsidiaries are principally engaged in manufacturing, sales and marketing of consumer electronic products globally. Annually, Changhong and its subsidiaries import more than US\$250 million worth of electronic parts and components from overseas via independent agents. The Company has established good relationship with various original suppliers of parts and components that are required by Changhong. The Directors believe that the Group can continue to capitalize on such relationships to procure the parts and components required by Changhong, and in turn increase the income of the Group. The Directors also believe that with a committed source of purchase orders from Changhong through the New Master Supply Agreement, the Company would be able to maintain its sales level and consolidate and extend its existing supply and sourcing network.

As an established manufacturer of consumer electronic products, Changhong can supply a range of popular consumer electronic products at a very competitive basis. Annually, Changhong and its subsidiaries export more than US\$250 million worth of consumer electronic products overseas. In view

of the Group's established international customer network in America and its success in distributing and selling the consumer electronic products, the parties would like to continue the purchase of the relevant consumer electronic products by the Group from Changhong and its subsidiaries. The Directors believe that the arrangement with Changhong under the New Master Purchase Agreement will continue to facilitate the Group's future expansion of its business, as it gives the Group access to a source of competitively priced products.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of an independent financial adviser) consider that the New Master Supply Agreement and the New Master Purchase Agreement were entered into in the ordinary and usual course of business of the Company based on normal commercial terms and that the New Master Supply Agreement, the New Master Purchase Agreement and the relevant annual caps are fair and reasonable and in the interest of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As Changhong is a substantial shareholder interested in 29.99% of the issued share capital of the Company, it is a connected person of the Company as defined under Rule 20.11 of the GEM Listing Rules. Accordingly, the transactions under the Master Purchase Agreement, the New Master Supply Agreement and the New Master Purchase Agreement constitute continuing connected transactions of the Company under the GEM Listing Rules.

Pursuant to Rule 20.36 of the GEM Listing Rules, where a previously announced annual cap is exceeded, the Company must re-comply with the reporting, announcement and/or independent shareholders' approval requirements as set out in Rule 20.35(3) and Rule 20.35(4) of the GEM Listing Rules.

As the applicable percentage ratios in respect of the Revised Cap and each of the relevant percentage ratios for the annual caps of the New Continuing Connected Transaction Agreements are more than 2.5%, the Revised Cap and the transactions contemplated under the New Continuing Connected Transaction Agreements will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 20.45 to 20.48 of the GEM Listing Rules. Changhong and its associates will abstain from voting at the SGM and the vote to be taken at the SGM with respect to the Revised Cap and the New Continuing Connected Transactions shall be conducted by poll.

A circular containing information relating to the Revised Cap, the New Continuing Connected Transactions, a letter from the Independent Board Committee, a letter setting out the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with a notice to convene the SGM to approve the Revised Cap and the New Continuing Connected Transactions and the respective annual caps under each of the New Continuing Connected Transaction Agreements will be issued to the Shareholders as soon as practicable.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Changhong”	Sichuan Changhong Electric Co. Limited, a company incorporated in the PRC and whose shares are listed on the Shanghai Stock Exchange
“Company”	China Data Broadcasting Holdings Limited, a company incorporated in Bermuda with limited liabilities and whose shares are listed on GEM
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the director of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board comprising Chan Ming Sun, Jonathan, Ip Chun Chung, Robert and Sun Dongfeng, independent non-executive Directors which will be established to advise the Independent Shareholders in respect of the New Continuing Connected Transactions
“Independent Shareholders”	Shareholders other than Changhong and its associates
“Independent Third Party(ies)”	as defined in the GEM Listing Rules
“Master Purchase Agreement”	the purchase agreement entered into between the Company and Changhong on 9 May 2007 in relation to the purchase of certain consumer electronic products by the Group from Changhong and its subsidiaries on an ongoing basis

“Master Supply Agreement”	the supply agreement entered into between the Company and Changhong on 18 April 2007 in relation to the supply of certain electronic products and components by the Group to Changhong and its subsidiaries on an ongoing basis
“New Continuing Connected Transaction Agreements”	the New Master Supply Agreement and the New Master Purchase Agreement
“New Continuing Connected Transactions”	the continuing connected transactions under the New Continuing Connected Transaction Agreements, which constitute continuing connected transactions as defined under Chapter 20 of the GEM Listing Rules
“New Master Purchase Agreement”	the purchase agreement entered into between the Company and Changhong on 20 November 2009 in relation to the purchase of certain consumer electronic products by the Group from Changhong and its subsidiaries on an ongoing basis
“New Master Supply Agreement”	the supply agreement entered into between the Company and Changhong on 20 November 2009 in relation to the supply of certain electronic products and components by the Group to Changhong and its subsidiaries on an ongoing basis
“PRC”	the People’s Republic of China
“Revised Cap”	the increase in the annual cap under the Master Purchase Agreement for the year ending 31 December 2009
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be held to approve the New Continuing Connected Transactions and to ratify the Non-Compliant 2009 CCTs
“Shares”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent.

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

Hong Kong, 20 November 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*