

SHARE SUBSCRIPTION AGREEMENT

THIS AGREEMENT is made on 25 January 2011

BETWEEN:

- (1) **CHINA DATA BROADCASTING HOLDINGS LIMITED**, a company incorporated in Bermuda whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda (the "**Company**"); and
- (2) **CHANGHONG (HONGKONG) TRADING LIMITED**, a company incorporated in the Hong Kong Special Administrative Region ("**Hong Kong**") of the People's Republic of China, whose registered office is at Unit 3701, 37/F., West Tower, Shun Tak Centre, 168 - 200 Connaught Road Central, Hong Kong (the "**Subscriber**").

WHEREAS:

- (A) The Company is incorporated under the laws of Bermuda with an authorised share capital of HK\$30,000,000 divided into 1,200,000,000 shares of HK\$0.025 each, of which 318,000,000 Shares have been issued and are fully paid and all of which are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (stock code: 8016).
- (B) The Subscriber and the Company have agreed that the Company shall allot and issue and the Subscriber shall subscribe for the Subscription Shares on and subject to the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement (including the recitals of this Agreement) unless specifically provided otherwise or the content otherwise requires:

- (a) the following expressions shall have the following meanings:

"**Business Day**" means any day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong;

"**Conditions**" means the conditions set out in Clause 3;

"**Completion**" means completion of the subscription for and allotment and issue of the Subscription Shares under this Agreement;

"**Executive**" means the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong from time to time and any delegate of such Executive Director;

"**Listing Rules**" means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

"Shares" means ordinary shares of HK\$0.025 each in the Company (and each a "Share");

"Stock Exchange" means The Stock Exchange of Hong Kong Limited;

"Subscription Consideration" means an amount equal to the aggregate of the subscription price referred to in Clause 2.2 multiplied by the number of Subscription Shares;

"Subscription Shares" means 16,000,000 new Shares to be subscribed for and allotted and issued pursuant to the terms of this Agreement;

"Takeovers Code" means the Code on Takeovers and Mergers and Repurchases; and

"Whitewash Waiver" means the waiver by the Executive under Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code of the obligation on the part of the Subscriber and persons acting in concert with it to make a general offer to the shareholders of the Company for all issued shares and other securities of the Company not already owned or agreed to be acquired by the Subscriber and persons acting in concert with it as a result of the issue and allotment of the Subscription Shares to the Subscriber.

- (b) reference to Clauses are to clauses of this Agreement;
- (c) words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include bodies corporate and unincorporate; and
- (d) in this Agreement, references to any statute or statutory provision or the Listing Rules include a reference to that statute or statutory provision or the Listing Rules as from time to time amended, extended or re-enacted.

1.2 Headings are for convenience only and shall not affect the construction of this Agreement.

2. SUBSCRIPTION

2.1 Subject to the fulfilment of the Conditions, the Subscriber shall subscribe for, and the Company shall allot and issue, the Subscription Shares fully paid and free from all liens, charges, security interests, encumbrances and adverse claims and the Subscription Shares shall rank pari passu in all respects with the Shares in issue at the date of allotment and issue and in particular will rank in full for all dividends and other distributions declared, made or paid at any time after the date of allotment and issue.

2.2 The subscription price of each of the Subscription Shares shall be HK\$0.50.

3. CONDITIONS

3.1 Completion of this Agreement is conditional upon:

- (a) the Listing Committee of the Stock Exchange having granted the listing approval in respect of, and permission to deal in, the Subscription Shares;
- (b) the Executive having granted the Whitewash Waiver;
- (c) the passing of a resolution by the independent shareholders of the Company at a special general meeting approving this Agreement and the transactions contemplated hereunder, including the allotment and issue of the Subscription Shares to the Subscriber pursuant to this Agreement; and
- (d) the passing of a resolution by the independent shareholders of the Company at a special general meeting approving the Whitewash Waiver.

3.2 None of the Conditions can be waived by either party. In the event that not all the Conditions have been fulfilled by 30 June 2011, this Agreement will be automatically terminated and be of no further effect, and the parties shall be released from all obligations under this Agreement and neither party shall have any claim against the other for any costs or losses save in respect of any antecedent breaches of this Agreement.

4. COMPLETION

4.1 Subject to Clause 3.1, Completion shall take place at the offices of the Company at 4:30pm on the second Business Day or such other day may be agreed by both parties after the date on which the last of the Conditions shall have been satisfied.

4.2 At Completion, the Subscriber shall:-

- (a) submit an application for the Subscription Shares to the Company; and
- (b) pay or shall procure the payment of the Subscription Consideration by electronic funds transfer to a bank account specified by the Company or in such other manner as the Company and the Subscriber may mutually agree, and such payment shall constitute satisfaction of the entire amount of the Subscription Consideration.

4.3 Subject to the Subscriber's compliance with Clause 4.2, the Company shall, at Completion:

- (a) duly allot and issue to the Subscriber the Subscription Shares and shall register without registration fee the Subscriber as a member of the Company in respect of the Subscription Shares;
- (b) deliver to the Subscriber the definitive certificates in respect of the Subscription Shares in favour of the Subscriber; and

- (c) appoint a person nominated by the Subscriber as director of the Company Provided That the Company may, if required by the Subscriber, make such appointment with effect from an earlier date as may be permitted under Takeovers Code.

5. REPRESENTATIONS AND WARRANTIES

- 5.1 The Company hereby represents and warrants to the Subscriber that it has full power, authority and capacity under its constitutional documents and applicable law, and all authorisations, approvals, consents and licenses required by it (if any) have been unconditionally obtained and are in full force and effect, to enter into and perform its obligations under this Agreement (including allotting and issuing the Subscription Shares pursuant to this Agreement) and the directors of the Company have full power and authority to effect such allotment and issue.
- 5.2 The Subscriber hereby represents and warrants to the Company that it has full power, authority and capacity under its constitutional documents and applicable law, and all authorisations, approvals, consents and licenses required by it (if any) have been unconditionally obtained and are in full force and effect, to permit it to enter into and perform its obligations under this Agreement.

6. UNDERTAKINGS

The Subscriber undertakes to accept the Subscription Shares subject to the Memorandum of Association and Bye-laws of the Company.

7. COSTS AND EXPENSES

The parties shall be liable for their own costs and expenses incurred in connection with this Agreement and the transaction contemplated herein.

8. TIME OF THE ESSENCE

Time shall be of the essence of this Agreement.

9. ANNOUNCEMENTS

- 9.1 Save as otherwise required by any applicable laws or listing rules to which either party is subject, none of the parties shall make any public announcement or communication in relation the subscription for and the allotment and issue of the Subscription Shares under this Agreement without the prior written approval of the other party.

10. NOTICES

- 10.1 Each notice, demand or other communication to be given or made under this Agreement shall be in writing and delivered or sent by post, facsimile transmission to the relevant party at its address or fax number set out below (or such other address or fax number as the addressee has by 5 (five) Business Days' prior written notice specified to the other party):-

To the Company

Address: Unit 3701, 37/F., West Tower, Shun Tak Centre, 168 -
200 Connaught Road Central, Hong Kong

Fax Number: (852) 2815 1119

Attention: Mr. Yu Xiao

To the Subscriber

Address: Unit 3701, 37/F., West Tower, Shun Tak Centre, 168 -
200 Connaught Road Central, Hong Kong

Fax Number: (852)3690 2108

Attention: Mr. Wu Jiang

- 10.2 Any notice, demand or other communication so addressed to the relevant party shall be deemed to have been delivered if given or made by fax when despatched with electronic confirmation of complete and error-free transmission Provided that if the day on which the fax is despatched is not a Business Day, such communication shall be deemed delivered on the next Business Day in the place to which it is sent or (in any other case) when left at the address notified pursuant to Clause 11.1 or 2 (two) Business Days after being put in the post with postage prepaid and addressed to it at that address.

11. COUNTERPARTS

- 11.1 This Agreement may be executed (including by facsimile signature) in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart.
- 11.2 Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

12. MISCELLANEOUS

- 12.1 Any failure to exercise, or delay in exercising, a right or remedy provided by this Agreement or by law shall not constitute a waiver of such right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law shall prevent further exercise of such right or remedy or the exercise of another right or remedy.

- 12.2 If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.
- 12.3 This Agreement constitutes the whole agreement between the parties relating to its subject matter and supersedes and extinguishes any prior drafts, confirmations, memorandum of understanding, agreements, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter and it is expressly declared that no variations hereof shall be effective unless made in writing.
- 12.4 The parties shall do and execute or procure to be done and executed all such further acts, deeds, things and documents as may be necessary to give effect to the terms of this Agreement.

13. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with Hong Kong law and each of the parties hereto submits to the non-exclusive jurisdiction of the Hong Kong courts in respect thereof.



IN WITNESS whereof this Agreement has been entered into on the day and year first above written.

Signed by)
CHINA DATA BROADCASTING HOLDINGS)
LIMITED)



in the presence of: LEE WING LUN)
(COMPANY SECRETARY))

Lee Wing Lun

Signed by)
CHANGHONG (HONGKONG) TRADING)
LIMITED)



in the presence of:)
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