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## **CHINA CHIEF CABLE TV GROUP LIMITED**

**中國3C集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 8153)**

### **POSSIBLE CONNECTED TRANSACTION — PROVISION OF FINANCIAL ASSISTANCE**

The Board announces that Sparkle View, Mr. Lin and Mr. Law proposed the Capital Injection of USD1,650,000 (equivalent to approximately HK\$12,870,000) in total into Nanjing Everyday by way of cash to expand the registered capital of Nanjing Everyday. The equity interests of Sparkle View, Mr. Lin and Mr. Law in Nanjing Everyday are 80%, 6.6% and 13.4% respectively as at the date of this announcement. In accordance with the aforesaid share of equity interest in Nanjing Everyday, (i) Sparkle View agreed to contribute USD1,320,000 (equivalent to approximately HK\$10,296,000); (ii) Mr. Lin agreed to contribute USD108,900 (equivalent to approximately HK\$849,420); and (iii) Mr. Law agreed to contribute USD221,100 (equivalent to approximately HK\$1,724,580), into Nanjing Everyday.

The Board resolved to provide the Financial Assistance to Mr. Lin and Mr. Law at nil interest for them to complete the Capital Injection. To safeguard the Company's interest, the Company has requested Mr. Lin and Mr. Law, and Mr. Lin and Mr. Law have verbally agreed to pledge all of their respective equity interests in Nanjing Everyday to the Company.

The Company will enter into a formal agreement with Mr. Lin and Mr. Law regarding the provision of the Financial Assistance and the aforesaid pledges. The Company will make further announcement to comply with the relevant disclosure requirement under the GEM Listing Rules.

The provision of the Financial Assistance constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Since all of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the provision of the Financial Assistance are less than 2.5%, the provision of the Financial Assistance is only subject to the reporting and announcement requirements as set out in Rule 20.66(1) of the GEM Listing Rules and is exempted from the independent shareholders' approval requirement under the GEM Listing Rules.

The Board announces that Sparkle View, being a wholly-owned subsidiary of the Company, Mr. Lin and Mr. Law proposed the Capital Injection of USD1,650,000 (equivalent to approximately HK\$12,870,000) in total into Nanjing Everyday by way of cash to expand the registered capital of Nanjing Everyday.

The equity interests of Sparkle View, Mr. Lin and Mr. Law in Nanjing Everyday are 80%, 6.6% and 13.4% respectively as at the date of this announcement. In accordance with the aforesaid share of equity interest in Nanjing Everyday, (i) Sparkle View agreed to contribute USD1,320,000 (equivalent to approximately HK\$10,296,000); (ii) Mr. Lin agreed to contribute USD108,900 (equivalent to approximately HK\$849,420); and (iii) Mr. Law agreed to contribute USD221,100 (equivalent to approximately HK\$1,724,580), into Nanjing Everyday.

As at the date of this announcement, Sparkle View has already satisfied its contribution to the Capital Injection in full. Due to financial limitation of Mr. Lin and Mr. Law, Mr. Lin and Mr. Law are unable to contribute to their respective amounts of the Capital Injection by their own financial resources and it would be time consuming for Mr. Lin and Mr. Law to search for financing opportunities. Given also the urgency of the Capital Injection, the Board resolved to provide the Financial Assistance to Mr. Lin and Mr. Law at nil interest for them to complete the Capital Injection. The repayment term of the Financial Assistance is expected to be of not more than 180 days from the date of provision of the Financial Assistance. In addition, to safeguard the Company's interest, the Company has requested Mr. Lin and Mr. Law, and Mr. Lin and Mr. Law have verbally agreed to pledge all of their respective equity interests, i.e. their respective approximate 6.6% and 13.4% shareholdings, in Nanjing Everyday to the Company.

The Company will enter into a formal agreement with Mr. Lin and Mr. Law regarding the provision of the Financial Assistance and the aforesaid pledges. The Company will make further announcement to comply with the relevant disclosure requirement under the GEM Listing Rules.

Immediately upon completion of the Capital Injection, the registered capital of Nanjing Everyday will increase from USD1,350,000 (equivalent to approximately HK\$10,530,000) to USD3,000,000 (equivalent to approximately HK\$23,400,000).

The Board considers that the Capital Injection and the provision of the Financial Assistance are on normal commercial terms. The Group has satisfied its contribution to the Capital Injection of USD1,320,000 (equivalent to approximately HK\$10,296,000) and part of its Financial Assistance to Mr. Lin of USD25,000 (equivalent to approximately HK\$195,000) by its internal resources. The Group also intends to satisfy the remainings of the Financial Assistance of USD83,900 (equivalent to approximately HK\$654,420) and USD221,100 (equivalent to approximately HK\$1,724,580) to Mr. Lin and Mr. Law respectively in early January 2009 by its internal resources.

## **INFORMATION OF NANJING EVERYDAY**

Nanjing Everyday is a non-wholly owned subsidiary of the Company incorporated in the PRC on 2 June 2006. The principal activity of Nanjing Everyday is investment holdings. Save as and except for the 49% equity interest in 江蘇廣電時尚傳媒有限公司 (JiangSu BCTV Fashion Media Limited Company), a company which is principally engaged in direct television sales, programmes production, advertising agency, design and production, Nanjing Everyday has no other material assets as at the date of this announcement.

## **REASONS FOR AND BENEFIT OF THE CAPITAL INJECTION AND THE PROVISION OF THE FINANCIAL ASSISTANCE**

The Group is principally engaged in the provision of pre-mastering and other media services, audiovisual playout services, development of digital television system platform and program database, sales and rental of set-top boxes, design and manufacture digital television equipment and facilities.

The Directors are of the view that the Capital Injection would allow the Group to further tap into the growth potential of the television advertising and direct television sales market in the PRC through the development of Nanjing Everyday. Due to financial limitation of Mr. Lin and Mr. Law, Mr. Lin and Mr. Law are unable to contribute to their respective amounts in the Capital Injection by their own financial resources and it would be time consuming for Mr. Lin and Mr. Law to search for financing opportunities. Given the urgency of the Capital Injection, the Directors believe that it would be time efficient for the Group to provide the Financial Assistance to Mr. Lin and Mr. Law for the Capital Injection. In view of the above and having also taken into account that the Financial Assistance will be repaid by Mr. Lin and Mr. Law in relatively short term and will be secured by all of their respective equity interests in Nanjing Everyday, the Directors (including the independent non-executive Directors) consider that (i) the Capital Injection and the provision of the Financial Assistance are in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Financial Assistance are fair and reasonable.

## **IMPLICATION UNDER THE GEM LISTING RULES**

Mr. Lin was a director of Nanjing Everyday within the preceding 12 months of the date of this announcement and thus a connected person of the Company according to Rule 20.11(2) of the GEM Listing Rules. Mr. Law, being a Shareholder who also holds approximately 13.4% equity interest in the total issued share capital of Nanjing Everyday, is a connected person of the Company according to Rule 20.11(1) of the GEM Listing Rules. Therefore, the provision of the Financial Assistance constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

Since all of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the provision of the Financial Assistance are less than 2.5%, the provision of the Financial Assistance is only subject to the reporting and announcement requirements as set out in Rule 20.66(1) of the GEM Listing Rules and is exempted from the independent shareholders' approval requirement under the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Board”	the board of Directors
“Capital Injection”	the capital injection of USD1,650,000 (equivalent to approximately HK\$12,870,000) into Nanjing Everyday by way of cash to expand the registered capital of Nanjing Everyday

“Company”	China Chief Cable TV Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“Financial Assistance”	the provision of the non-interest bearing financial assistance of USD108,900 (equivalent to approximately HK\$849,420) and USD221,100 (equivalent to approximately HK\$1,724,580) to Mr. Lin and Mr. Law respectively by the Group on a secured basis for the Capital Injection
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Mr. Law”	Mr. Law Kwok Keung, an existing shareholder of Nanjing Everyday
“Mr. Lin”	Mr. Lin Fang Chih, an existing shareholder of Nanjing Everyday
“Nanjing Everyday”	南京天天購貿易有限公司 (Nanjing Everyday Buy Trading Co., Ltd.) (formerly known as 度量衡(南京)商品管理諮詢服務有限公司 (Precision (Nanjing) Commodity Inspection & Consulting Co. Ltd.)), a company incorporated in the PRC and a non-wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Sparkle View”	Sparkle View Enterprises Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	US dollars, the lawful currency of the United States of America
“%”	per cent.

On behalf of the Board  
**China Chief Cable TV Group Limited**  
**Wong Man Hung Patrick**  
*Chairman*

Hong Kong, 2 January 2009

*In this announcement, unless otherwise specified, amounts in USD are converted to HK\$ at the conversion rate at HK\$7.8 = USD1 for illustration only. No representation is made that any amounts in USD or HK\$ could have been or could be converted at such rate or any other rates.*

*Certain English translation of Chinese names or words in this announcement are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.*

*As of the date of this announcement, the executive directors of the Company are Mr. Wong Man Hung Patrick, Mr. Law Kwok Leung, Mr. Feng Xiao Ping and Mr. Stephen William Frostick, the independent non-executive directors are Mr. Sousa Richard Alvaro, Mr. Chang Carl and Mr. Lee Chi Hwa Joshua.*

*This announcement, for which the Directors 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, 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.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM’s website for 7 days from the date of its publication.*

\* *For identification purpose only*