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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)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

Placing agent

Cheong Lee Securities Limited

On 11 May 2009 after trading hours, the Vendor entered into (i) the Placing Agreement with the Placing Agent and the Company; and (ii) the Subscription Agreement with the Company. Pursuant to the Placing Agreement, the Placing Agent has agreed to place, on a best effort basis, to not less than six independent places for up to 50,000,000 existing Shares at a price of HK\$0.28 per Placing Share, for and on behalf of the Vendor. Pursuant to the Subscription Agreement, the Vendor has conditionally agreed to subscribe for such number of new Shares as is equal to the number of Placing Shares successfully placed by the Placing Agent at a price of HK\$0.28 per Subscription Share.

The Placing is unconditional, but the completion of Subscription is subject to (i) the completion of the Placing; (ii) the Listing Division of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Subscription Shares; and (iii) (if required) the Bermuda Monetary Authority granting permission to allot and issue the Subscription Shares. If such conditions are not fulfilled, the Subscription will not proceed.

The maximum number of 50,000,000 Placing Shares represents approximately 2.84% of the entire issued share capital of the Company of 1,759,298,244 Shares as at the date of this announcement and approximately 2.76% of the Company's entire issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of approximately HK\$13.7 million (assuming the Placing Shares are fully placed and after all relevant expenses) will be used for general working capital.

The Vendor owns 219,298,244 Shares, representing approximately 12.47% of the Company as at the date of this announcement, which will be reduced to approximately 9.62% immediately after the Placing, and will then be increased to approximately 12.12% immediately upon the completion of the Subscription (assuming the Placing Shares are fully placed).

* For identification purpose only

THE PLACING AGREEMENT

- Date: 11 May 2009.
- Vendor: Mr. Lee Yuk Lun. The Vendor is beneficially interested in 219,298,244 Shares, representing approximately 12.47% of the Company as at the date of this announcement.
- Placing Agent: Cheong Lee Securities Limited. The ultimate beneficial owner of the Placing Agent, Ms. Au Suet Ming Clarea, is an associate of the Vendor and is therefore a connected person of the Company. However as the relevant percentage ratios calculated according to Rule 19.07 of the GEM Listing Rules is less than 2.5% and the total consideration is less than HK\$1 million, the transaction is exempted from all reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.
- Placees: The Placing Shares will be placed to not less than six placees (which will be independent individual, corporate and/or institutional investors) and their ultimate beneficial owners will be Independent Third Parties. It is expected that no placee will become a substantial Shareholder (as such term is defined in the GEM Listing Rules) immediately following completion of the Placing and the Subscription.
- Number of Placing Shares: Up to 50,000,000 existing Shares, to be placed by the Placing Agent on a best effort basis. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 2.84% of the entire issued share capital of the Company of 1,759,298,244 Shares as at the date of this announcement and approximately 2.76% of the Company's entire issued share capital as enlarged by the Subscription.
- The nominal value of the Placing Shares is HK\$500,000.
- Placing Price: HK\$0.28 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on GEM. The Placing Price represents:
- (a) a discount of approximately 9.68% to the closing price of HK\$0.31 per Share as quoted on the GEM on 11 May 2009, being the date of the Placing Agreement;

- (b) a discount of approximately 15.67% to the average closing price of approximately HK\$0.332 per Share as quoted on the GEM for the last 5 full trading days of the Shares immediately before 11 May 2009 being the date of the Placing Agreement; and
- (c) a discount of approximately 13.98% to the average closing price of approximately HK\$0.3255 per Share as quoted on the GEM for the last 10 full trading days of the Shares immediately before 11 May 2009 being the date of the Placing Agreement.

Placing Commission: The Placing Agent will receive a placing commission of 1% on the gross proceeds of the Placing.

Completion of the Placing: The Placing is unconditional and completion of the Placing is expected to take place on or before 15 May 2009 (or such other time or date as the Vendor and the Placing Agent may agree in writing).

THE SUBSCRIPTION AGREEMENT:

Date: 11 May 2009.

Subscriber: The Vendor.

Number of Subscription Shares: The Company will issue such number of new Shares to the Vendor as is equal to the number of Placing Shares successfully placed by the Placing Agent pursuant to the Placing. Assuming the Placing Shares are fully placed, the Company will issue 50,000,000 Subscription Shares to the Vendor, representing approximately 2.84% of the entire issued share capital of the Company of 1,759,298,244 Shares as at the date of this announcement and approximately 2.76% of the Company's entire issued share capital as enlarged by the Subscription.

Subscription Price: HK\$0.28 per Subscription Share. Subject to the Subscription being completed, the Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Subscription is estimated to be approximately HK\$13.7 million (assuming the Placing Shares are fully placed). As a result, the net price per Subscription Share will be approximately HK\$0.274.

- General Mandate: The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the Company's special general meeting held on 2 February 2009 up to 271,334,648 Shares. As at the date of this Announcement, 12,000,000 Shares had been issued pursuant to the general mandate.
- Ranking of Subscription Shares: The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.
- Conditions to the Subscription: The Subscription is conditional upon the following conditions:
- (a) the listing of and permission to deal in all the Subscription Shares being granted by the Listing Division of the Stock Exchange;
 - (b) completion of the Placing having occurred pursuant to the terms of the Placing Agreement; and
 - (c) (if required) the Bermuda Monetary Authority granting permission to allot and issue the Subscription Shares.
- Application will be made to the Stock Exchange to grant approval for the listing of and permission to deal in the Subscription Shares.
- Completion of the Subscription: Subject to the satisfaction of all the conditions set out above, the Subscription is expected to be completed within fourteen days from the date of the Subscription Agreement or such later time and/or such other date as the Vendor and the Company may agree in writing. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the GEM Listing Rules and require compliance with all the relevant requirements under Chapter 20 of the GEM Listing Rules, including but not limited to the issue of a separate announcement and approval of the independent Shareholders.

EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING

The shareholdings in the Company immediately before the completion of the Placing, immediately after completion of the Placing but before completion of the Subscription and immediately after completion of both Placing and Subscription are and will be as follows:

Shareholders	Immediately before Placing and Subscription		Immediately after Placing but before Subscription		Immediately after Placing and Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Vendor	219,298,244	12.47	169,298,244	9.62	219,298,244	12.12
Au Yeung Kai Wah	290,625,000	16.52	290,625,000	16.52	290,625,000	16.06
Law Kwok Keung (note 1)	104,520,000	5.94	104,520,000	5.94	104,520,000	5.78
Feng Xiao Ping (note 2)	41,718,750	2.37	41,718,750	2.37	41,718,750	2.31
Public Shareholders	1,103,136,250	62.70	1,103,136,250	62.70	1,103,136,250	60.97
Placees	0	0.00	50,000,000	2.84	50,000,000	2.76
Total	<u>1,759,298,244</u>	<u>100.00</u>	<u>1,759,298,244</u>	<u>100.00</u>	<u>1,809,298,244</u>	<u>100.00</u>

Notes:

1. the shares are held by Keenway Holdings Limited, a company controlled by Mr. Law Kwok Keung.
2. 31,718,750 shares are held by Sino Unicorn Technology Limited, a company Mr. Feng Xiao Ping has an indirect interest of 51% therein. In addition, 10,000,000 shares are held by Sky Dragon Digital Television and Movies Holdings Limited, a company which is 99% indirectly-owned by Mr. Feng Xiao Ping.

REASONS FOR AND BENEFITS OF THE PLACING AND SUBSCRIPTION AND USE OF THE PROCEEDS

The Group is principally engaged in 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 of digital TV equipment and facilities, direct TV sales and cordyceps related business. In view of the current market conditions, the Directors consider that the Placing and the Subscription represent a good opportunity to broaden the shareholders base and capital base of the Company and to raise capital for the Company for its future business developments. The Directors consider the terms of the Placing Agreement and the Subscription Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The Company will bear all costs and expenses of approximately HK\$0.3 million in connection with the Placing and the Subscription. The net proceeds of approximately HK\$13.7 million from the Subscription will be used for general working capital.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summarizes the capital raising activities of the Group for the 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
20 January 2009	Top-up placing of 50,000,000 shares	Approximately HK\$6.1 million	General working capital	Used as intended
16 March 2009	Placing of 12,000,000 new shares	Approximately HK\$1.49 million	General working capital	Used as intended

DEFINITIONS:

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning number 8 or above is issued or remains issued between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon or on which a “black” rainstorm warning is issued or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“Company”	China Chief Cable TV Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules

“Director(s)”	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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the GEM Listing Rules)
“Placing”	the placing of the Placing Shares by the Vendor, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Cheong Lee Securities Limited
“Placing Agreement”	the placing agreement entered into between the Vendor and the Placing Agent dated 11 May 2009 in relation to the Placing
“Placing Price”	HK\$0.28 per Placing Share
“Placing Shares”	a maximum of 50,000,000 Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Vendor dated 11 May 2009 in relation to the Subscription
“Subscription Price”	HK\$0.28 per Subscription Share

“Subscription Shares”	Placing to be subscribed by the Vendor pursuant to the Subscription Agreement
“Vendor”	Mr. Lee Yuk Lun
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of
China Chief Cable TV Group Limited
Wong Man Hung Patrick
Chairman

Hong Kong, 11 May 2009.

As at the date hereof, the executive Directors are Mr. Wong Man Hung Patrick, Mr. Law Kwok Leung, Mr. Feng Xiao Ping and Mr. Stephen William Frostick and the independent non-executive Directors are Mr. Sousa Richard Alvaro, Mr. Chang Carl and Mr. Lee Chi Hwa Joshua.

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

This announcement, for which the directors of China Chief Cable TV Group Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to China Chief Cable TV Group Limited. 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.