

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Chief Cable TV Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(1) ADOPTION OF SHARE OPTION SCHEME (2) REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

**Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders**



**WALLBANCK BROTHERS
Securities (Hong Kong) Limited**

A notice convening a special general meeting of the Company (the “SGM”) to be held on Monday, 2 February 2009 at 5:00 p.m. at Conference Room, 19th Floor, CMA Building, 64-66 Connaught Road, Central, Hong Kong is set out from pages 35 to 37 of this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s Branch Registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at SGM, or any adjournment thereof, should you so wish.

This circular will remain on the “Latest Company Announcements” Page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication.

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on The Stock Exchange of Hong Kong Limited. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of The Stock Exchange of Hong Kong Limited and no assurance is given that there will be a liquid market in the securities traded on GEM.

RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) on The Stock Exchange of Hong Kong Limited 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 circular 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 circular misleading; and
- (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions those are fair and reasonable.

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DEFINITIONS

“Adoption Date”	means 2 February 2009 (the date on which the Scheme II is to be conditionally adopted by a resolution of the shareholders of the Company at the SGM);
“Advisor”	means any such person as shall have been designated by the Board as such, being a person who provides advisory services (in the areas of legal, technical, financial, corporate managerial or otherwise) to the Company or any Subsidiary;
“AGM”	means the annual general meeting to the Company held on 11 August 2008 for the Shareholders to approve the Current General Mandate;
“Auditors”	means the auditors for the time being of the Company (acting as experts and not as arbitrators);
“Board”	means the board of directors of the Company (and, where appropriate, includes any committee or delegate of the Board appointed by the Board to perform any of its functions);
“Business Day”	means any day on which the Stock Exchange is open for the business of dealing in securities;
“Bye-Laws”	means Bye-Laws of the Company for the time being;
“Companies Act”	means The Companies Act 1981 of Bermuda (as amended)
“Companies Ordinance”	means the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended from time to time;
“Company”	means China Chief Cable TV Group Limited;
“Consultant”	means any such person as shall have been designated by the Board as such, being a person who provides consultancy services (legal, technical, financial, corporate, managerial advice or services or otherwise) to the Company or any Subsidiary and “Consultants” shall be construed accordingly;

DEFINITIONS

- “Convertible Bonds” means the convertible bonds which were approved by the Shareholders at the special general meeting of the Company held on 7 November 2007, the details of which are contained in the circular issued by the Company dated 22 October 2007, and convertible bonds which were approved by the Shareholders at the special general meeting of the Company held on 17 October 2008, the details of which are contained in the circular issued by the Company dated 29 September 2008;
- “Current General Mandate” means the general mandate approved at the AGM authorizing the Director to allot and issue Shares of up to 20% of the issued share capital of the Company as at 11 August 2008;
- “Date of Grant” means the date, which must be a Business day, of a written notice from the Company granting Options to Eligible Persons;
- “Director” means any person who is a director (including non-executive director and independent non-executive director) of the Company or any Subsidiary;
- “Eligible Person” means any person who satisfies the eligibility requirements below:
- (A) The Board may, at its absolute discretion, grant options to an Employee, a Director, a supplier of goods or services, a customer of Company or any Subsidiary; an agent, adviser, consultant, strategist, contractor, sub-contractor, expert or entity that provides research, development or other technological support or any valuable services to Company or any Subsidiary; a shareholder of Company or any Subsidiary or a holder of any securities issued by Company or any Subsidiary;
 - (B) Nothing in (A) above shall prevent the Directors to determine the basis of eligibility of any of the Eligible Persons to the grant of any Options from time to time on the basis of their contribution to the development and the growth of the Company or any Subsidiary;

DEFINITIONS

“Employee”	means a person who is in the full-time or part-time employment of the Company or any Subsidiary;
“Employment”	means employment by the Company and/or by any Subsidiary;
“Exercise Period”	means in respect of any Option, the period to be notified by the Board upon the grant of Options during which it may be exercised, such period not to exceed 10 years from the Date of Grant of the relevant Option;
“Exercise Price”	means the amount payable for each Share to be subscribed for under an Option in the event of the Option being exercised, being an amount determined by the Board and notified to a Participant, which shall not be less than the greater of: <ul style="list-style-type: none">(A) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant of such Option;(B) the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange’s daily quotations sheets for the five Business Days immediately preceding the Date of Grant of such Option; and(C) the nominal value of the Shares;
“GEM Listing Committee”	means the listing sub-committee of the council of the Stock Exchange with responsibilities of GEM;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited as may be amended from time to time;
“Independent Shareholders”	means Shareholders other than controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates;

DEFINITIONS

“Latest Practicable Date”	means 7 January 2009, being the latest practicable date prior to the date of this circular for ascertaining certain information contained in this circular;
“New General Mandate”	means the general mandate proposed to be granted to the Directors at the SGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of issued share capital of the Company as at the date of SGM and any additional Shares repurchased by Company pursuant to the general repurchase mandate granted to the Directors at the AGM;
“Option”	means a right granted by the Company under Scheme II and accepted by a Participant, which right permits (but does not obligate) a Participant to subscribe for Shares in accordance with Scheme II and “Options” shall be construed accordingly;
“Participant”	means any Eligible Person who accepts the offer of a grant of an Option and who for the time being participates in Scheme II (or, where applicable, his personal representatives) and where the context requires or permits any Eligible Person to whom the offer of a grant of Options is made by the Company and which offer has not been withdrawn or lapsed or rejected and “Participants” shall be construed accordingly;
“Scheme Period”	means the period to be notified by the Board, such period not to exceed the period of 10 years from the Adoption Date;
“Scheme I”	means the share option scheme adopted by a resolution of the shareholders of the Company in the general meeting dated 20 March 2001;
“Scheme II”	means the share option scheme to be adopted by a resolution of the shareholders of the Company at the SGM;
“SGM”	means special general meeting of the shareholders of the Company to be dated on 2 February 2009;

DEFINITIONS

“Shares”	means the shares of HK\$ 0.01 each in the capital of the Company (or shares of such nominal amount as shall result from any sub-division or consolidation of such shares or capital reorganisation of any other nature from time to time);
“Shareholders”	means the holder(s) of the Share(s);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subscription Price”	means the price per Share at which a Participant may subscribe for Shares on the exercise of an Option pursuant to the Scheme II;
“Subsidiary”	means any company which is for the time being and from time to time a subsidiary (as such term is defined in the GEM Listing Rules) of the Company;
“Subsisting Option”	means an Option which has been duly granted and remains outstanding and exercisable and has neither lapsed nor been cancelled or exercised in full and, where an Option has been exercised in part as permitted by the terms of such Option, includes that part of the Option that has not been exercised and which has neither lapsed nor been cancelled;
“Wallbank Brothers” or “Independent Financial Adviser”	means Wallbank Brothers Securities (Hong Kong) Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on Types 4, 6, 9 regulated activities, and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the grant of the New General Mandate;
“\$”	means Hong Kong dollars; and
“%”	means per cent.



CHINA CHIEF CABLE TV GROUP LIMITED

中國3C集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8153)

Executive Directors:

Mr. Wong Man Hung Patrick (*Chairman*)

Mr. Law Kwok Leung

Mr. Feng Xiao Ping

Mr. Stephen William Frostick

Register Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent Non-executive Directors:

Mr. Sousa Richard Alvaro

Mr. Chang Carl

Mr. Lee Chi Hwa Joshua

*Head Office and Principal Place
of Business in Hong Kong:*

1/F Mei Ah Centre

28 Chun Choi Street

Tseung Kwan O Industrial Estate

Kowloon

Hong Kong

13 January 2009

To the shareholders

Dear Sir or Madam,

**(1) ADOPTION OF SHARE OPTION SCHEME
(2) REFRESHMENT OF GENERAL MANDATE TO ALLOT
AND ISSUE SHARES**

INTRODUCTION

The purpose of this circular is to provide Shareholders with information with respect of the resolution to be proposed at the SGM for the adoption of Scheme II and the granting of the New General Mandate.

PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

The Board proposes to recommend to Shareholders to approve Scheme II so that options to subscribe for the Shares may be granted to the Eligible Person pursuant to the terms thereof. The purpose of Scheme II is to enable the Company to grant Options to the Eligible Person as incentive or reward for their contribution to the growth of the Company or any Subsidiary and

* For identification purpose only

LETTER FROM THE BOARD

to provide the Company or any Subsidiary with a more flexible means to reward, remunerate, compensate, and/or provide benefits to the Eligible Person. As at the Latest Practicable Date, the Company has not adopted any other share option scheme except for Scheme I.

The terms of Scheme II provide that in granting Option under Scheme II, the Board may offer to grant any Option subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also determine the Subscription Price in respect of any Option.

A summary of the principal terms of the proposed Scheme II is set out in the Appendix to this circular.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to Scheme II as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding to the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the Subscription Price, option period, any lock-up period, any performance targets set and other relevant variables.

Scheme II shall take effect subject to and is conditional on:

- (A) the passing of an ordinary resolution to adopt Scheme II by the shareholders of the Company at the SGM (with any persons required to abstain from voting under the GEM Listing Rules so abstaining); and
- (B) the GEM Listing Committee granting approval of Scheme II and the granting of Options, and the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of Options.

Subject to the obtaining of Shareholders' approval with respect to the adoption of Scheme II, the total number of Shares which may be issued upon exercise of all Options to be granted under Scheme II and any other share option schemes of the Company must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of approval of Scheme II. The Board shall not grant any Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted but yet to be exercised under Scheme II and any other share option scheme adopted by the Company which provide for the grant of Options to acquire or subscribe for Shares exceeding, in aggregate, 30% of the issued share capital of the Company from time to time.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company could grant 31,250,000 options under Scheme I. In order to maintain flexibility of the Company in granting options, Scheme I will not be terminated upon the adoption of Scheme II.

The most significant difference between Scheme I and Scheme II is on the eligibility of the grantee. In Scheme I, those eligible as grantees must be full-time Employee. In Scheme II, those eligible as grantees have been extended to not only full-time Employee but any employee (whether full-time or part-time), director, supplier, customer, contractor, sub-contractor, expert, consultant or adviser of the Company or any Subsidiary and any person at the Board absolute discretion who satisfies the eligibility requirement (the “Eligible Person”).

The reason of proposed adoption of Scheme II is to enable the Company to grant Options to the Eligible Person, not limited to full-time Employee, as incentive or reward for their contribution to the growth of the Company or any Subsidiary and to provide the Company or any Subsidiary with a more flexible means to reward, remunerate, compensate, and/or provide benefits to the Eligible Person.

As at the Latest Practicable Date, there were 1,105,018,244 Shares in issue. Assuming no Shares will be issued or repurchased from the Latest Practicable Date to the date of the SGM on which Scheme II is expected to be adopted by the Shareholders, subject to Scheme II becoming effective, the Company may grant Options under Scheme II and any other option schemes of the Company in respect of which up to 110,501,824 Shares, representing 10% of the Shares in issue, may be issued.

Application will be made to the GEM Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Option that may be granted under Scheme II.

Copy of Scheme II will be available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at 1/F Mei Ah Centre, 28 Chun Choi Street, Tseung Kwan O Industrial Est., Kowloon Hong Kong from the date of this circular until the date of the SGM, for a period of not less than 14 days before the date of the SGM.

LETTER FROM THE BOARD

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES CURRENT GENERAL MANDATE AND CONVERTIBLE BONDS

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Current General Mandate to allot and issue not more than 118,800,000 Shares, being 20% of the entire issued share capital of the Company of 594,000,000 Shares as at 11 August 2008. During the period from the granting of the Current General Mandate to the Latest Practicable Date, the Current General Mandate has not been utilised. The issue of Convertible Bonds was approved by the Shareholders at the special general meeting of the Company held on 7 November 2007 and at the special general meeting of the Company held on 17 October 2008. As a result of the Convertible Bonds, the share base of the Company is enlarged.

PROPOSED GRANT OF NEW GENERAL MANDATE

The Company will convene the SGM at which ordinary resolutions will be proposed to the Independent Shareholders for the grant of the New General Mandate that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the general mandate granted to the Directors at the AGM.

As at the Latest Practicable Date, the Company had an aggregate of 1,105,018,244 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot and issue up to 221,003,648 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has no current intention to issue new Shares under the New General Mandate.

REASONS FOR THE NEW GENERAL MANDATE

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

LETTER FROM THE BOARD

As explained in the paragraph headed “Current General Mandate and Convertible Bonds” above, the Current General Mandate has not been utilised and the share base of the Company is enlarged as a result of the Convertible Bonds.

The Board believes that the granting of the New General Mandate is in the best interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Company’s future business development. The Board considers equity financing to be an important avenue of resources to the Company since it does not create any interest paying obligations on the Company. In appropriate circumstances, the Company will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. While the Board considers that there is no immediate funding need for the Company’s current operations and that there is currently no concrete proposal presented by potential investors for investment in the Shares, the Board is now proposing to seek the approval of Independent Shareholders for New General Mandate at the SGM such that should future funding needs arise or attractive terms for investment in the Shares become available from potential investors, the Board will be able to respond to the market promptly.

GEM LISTING RULES IMPLICATION

Pursuant to Rule 17.42A and Rule 17.47(4) of the GEM Listing Rules, the New General Mandate requires the approval of the Independent Shareholders for New General Mandate at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution(s) at the SGM to approve proposed granting and extension of the New General Mandate. Since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant ordinary resolution(s).

As at the Latest Practicable Date, Mr. Feng Xiao Ping, an executive Director, is interested as to 41,718,750 Shares through Sino Unicorn Technology Limited in which Mr. Feng held 51% indirect interest and Sky Dragon Digital Television and Movies Holdings Limited in which Mr. Feng held 99% indirect interest, representing approximately 3.78% of the total issued share capital of the Company. As a result, Mr. Feng Xiao Ping, Sino Unicorn Technology Limited, Sky Dragon Digital Television and Movies Holdings Limited and their respective associate will abstain from voting in favour of the relevant ordinary resolutions at the SGM to approve the New General Mandate. In such an event, the Board was advised by Mr. Feng Xiao Ping, Sino Unicorn Technology Limited, Sky Dragon Digital Television and Movies Holdings Limited and their respective associate that they have no intention to vote against the relevant ordinary resolution(s). Further, pursuant to Rule 17.42A of the GEM Listing Rules, any vote of the Independent Shareholders for New General Mandate at the SGM will be taken by poll for resolutions in relation to the New General Mandate.

LETTER FROM THE BOARD

DILUTION EFFECT

Assuming that (i) the refreshment of the Current General Mandate is approved at the SGM; (ii) no Shares will be repurchased and no new Shares will be issued from the Latest Practicable Date up to the date of the SGM (both dates inclusive); and (iii) upon full utilisation of the New General Mandate, 221,003,648 Shares are to be issued, which represents 20% and approximately 16.67% of the existing issued share capital as at the Latest Practicable Date and the enlarged issued share capital of the Company respectively. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 66.91% to approximately 55.76% upon full utilisation of the New General Mandate.

SGM

A notice convening the SGM to be held at Conference Room, 19th Floor, CMA Building, 64-66 Connaught Road, Central, Hong Kong on 2 February 2009 at 5:00 p.m. is set out on pages 35 to 37 of this circular.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend and vote at such meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Pursuant to the amendments to the GEM Listing Rules which will be effective on 1st January 2009, the vote of Shareholders at SGM must be taken by poll.

In accordance with the requirements of the GEM Listing Rules, the results of the poll will be published on the website of the Company and the Stock Exchange on 2 February 2009.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee which comprises Mr. Sousa Richard Alvaro, Mr. Chang Carl and Mr. Lee Chi Hwa Joshua, all being the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the New General Mandate.

Wallbanck Brothers has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

The Independent Board Committee and the Directors, having taken into account the advice of Wallbanck Brothers, consider that the grant of the New General Mandate are in the interests of the Company and the Shareholders as a whole and is fair and reasonable and accordingly recommends the Independent Shareholders for the grant of the New General Mandate to vote in favour of the ordinary resolution which will be proposed at the SGM for approving the grant of the New General Mandate.

The text of the letter from the Independent Board Committee is set out on page 14 and 15 of this circular and the text of the letter from Wallbanck Brothers containing its advice is set out on pages 16 to 24 of this circular.

RECOMMENDATION

The Board considers that Scheme II is in the interests of the Company and Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of the resolutions as set out in the notice of the SGM.

Further, the Directors believe that the grant of the New General Mandate is in the best interests of the Company and the Shareholders as a whole and recommend the Independent Shareholders for the grant of the New General Mandate to vote in favour of the ordinary resolution to be proposed at the SGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 14 and 15 of this circular which contains its views in relation to the grant of the New General Mandate; and (ii) the letter from Wallbanck Brothers, which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from Wallbanck Brothers is set out on pages 16 to 24 of this circular.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendix to this circular.

RESPONSIBILITY

This circular, for which the directors of the Company (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 circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions those are fair and reasonable.

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



CHINA CHIEF CABLE TV GROUP LIMITED

中國3C集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8153)

13 January 2009

To the Independent Shareholder

Dear Sir or Madam,

**REFRESHMENT OF GENERAL MANDATE TO ALLOT AND
ISSUE SHARES**

We refer to the circular of the Company dated 13 January 2009 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you as to whether the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole and whether the terms of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned.

Wallbanck Brothers has been appointed to advise the Independent Board Committee and the Independent Shareholders for the grant of the New General Mandate in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, is set out on pages 16 to 24 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 6 to 13 of the Circular.

** For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the principal reasons and factors considered by, and the advice of Wallbank Brothers, we are of the opinion that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the New General Mandate.

Yours faithfully,
Independent Board Committee of
China Chief Cable TV Group Limited

Sousa Richard Alvaro
Independent
non-executive Director

Chang Carl
Independent
non-executive Director

Lee Chi Hwa Joshua
Independent
non-executive Director

LETTER FROM WALLBANCK BROTHERS

The following is the full text of a letter of advice from Wallbanck Brothers, the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the grant of the New General Mandate, for the purpose of incorporation into this circular.



**WALLBANCK BROTHERS
Securities (Hong Kong) Limited**

2310, Tower 2, Lippo Centre,
89 Queensway, Central,
Hong Kong

13 January 2009

*To the independent board committee and
the independent shareholders of
China Chief Cable TV Group Limited*

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate, details of which are set out in the letter from the Board (the “Letter from the Board”) contained in the circular to the Shareholders dated 13 January 2009 (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires the otherwise.

Pursuant to the GEM Listing Rules, the grant of the New General Mandate is subject to the approval of the Independent Shareholders at the SGM by way of poll. Accordingly, the Independent Board Committee (comprising Mr. Sousa Richard Alvaro, Mr. Chang Carl and Mr. Lee Chi Hwa Joshua, being all the independent non-executive Directors) has been established to advise on the grant of the New General Mandate, and we have been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders to advise on the grant of the New General Mandate.

LETTER FROM WALLBANCK BROTHERS

BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have relied on the accuracy of the information, opinions and representations provided to us by the Directors and management of the Company, and have assumed that all information, opinions and representations contained or referred to in this circular were true and accurate at the time when they were made and will continue to be accurate at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made by the Directors in this circular were reasonably made after due enquiry. We have no reasons to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We consider that we have received sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in this circular to provide a reasonable basis for our opinions and recommendations. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in this circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company.

In formulating our opinion, we have relied on the financial information provided by the Company, particularly, on the accuracy and reliability of financial statements and other financial data of the Company. We have not audited, compiled nor reviewed the said financial statements and financial data. We shall not express any opinion or any form of assurance on them. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. The Directors have also advised us that no material facts have been omitted from the information to reach an informed view, and we have no reason to suspect that any material information has been withheld. We have not carried out any feasibility study on any past, and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Company. Our opinion has been formed on the assumption that any analysis, estimation, forecast, anticipation, condition and assumption provided by the Company are valid and sustainable. Our opinions shall not be constructed as to give any indication to the validity, sustainability and feasibility of any past, existing and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Company.

In formulating our opinion, we have not considered the taxation implications on the Independent Shareholders arising from the grant of the New General Mandate as these are particular to the individual circumstances of each Shareholder. It is emphasized that we will not accept responsibility for any tax effect on or liability of any person resulting from

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his or her decision to the grant of the New General Mandate. In particular, the Independent Shareholders who are overseas residents or are subject to overseas taxation or Hong Kong taxation on securities dealings should consult their own tax positions, and if in any doubt, should consult their own professional advisers.

Our opinions are necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of, the Latest Practicable Date. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein which may come or be brought to our attention before and after the SGM.

Our opinions are formulated only and exclusively for the purpose of the grant of the New General Mandate and shall not be used for any other purpose in any circumstance nor for any comparable purpose with any other opinions.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee in respect of the grant of the New General Mandate, we have taken into consideration the following principal factors and reasons:

1. Background to the Grant of the New General Mandate

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

At the AGM, the Directors were granted the existing general mandate, in which (i) to allot and issue up to 118,800,000 Shares, representing 20% of the entire issued share capital of the Company of 594,000,000 Shares as at the date of the AGM; and (ii) to repurchase up to 59,400,000 Shares on the Stock Exchange, representing 10% of the entire issued share capital of the Company of 594,000,000 Shares as at the date of the AGM.

Pursuant to the acquisition of 80% equity interest in Nanjing Everyday Buy Trading Co., Ltd. as disclosed in the circular of the Company dated 22 October 2007, the Company agreed (i) to allot and issue 156,000,000 Shares as part of the consideration; and (ii) to issue the convertible bond (the "CB 2013") which is convertible into 884,000,000 Shares upon the exercise of conversion rights attached to the CB 2013 which were issued as another part of the consideration. The aforesaid acquisition was duly completed on 28 April 2008.

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Pursuant to the acquisition of 100% equity interest in Hong Kong New Success International Group Investment Company Limited as disclosed in the circular of the Company dated 29 September 2008, the Company agreed (i) to allot and issue 109,649,122 Shares as part of the consideration; and (ii) to issue the convertible bond (the “CB 2011”) which is convertible into 109,649,122 Shares upon the exercise of conversion rights attached to the CB 2011 which were issued as another part of the consideration. The aforesaid acquisition was duly completed on 27 November 2008.

The CB 2011 has been fully converted into 109,649,122 Shares and part of the CB 2013 has been converted into 291,720,000 Shares. Accordingly, the total issued share capital of the Company was then increased to 1,105,018,244 as at the Latest Practicable Date. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and assuming that no Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed to allot and issue up to 221,003,648 Shares under the New General Mandate.

In view of the substantial increase in the number of issued Shares since the AGM, the Directors propose to seek the approval of the Independent Shareholders at the SGM for the grant of the New General Mandate to maintain the financial flexibility necessary for the future investment and business development of the Group given the Current General Mandate has not been utilized as at the Latest Practicable Date.

2. Reasons for the Grant of the New General Mandate

According to the Letter from the Board, in view of the possible future funding needs of the Group, the Board considers equity financing to be an important avenue of resources to the Group since equity financing does not create any interest paying obligations on the Group. The Board will also consider other financing methods such as debt financing or internal cash resources to fund its future business development in appropriate circumstances. The Directors will in any event exercise due and careful consideration when choosing the best method of financing for the Group. Given that (i) the Group may miss any funding opportunities if it cannot respond promptly to market conditions; and (ii) the New General Mandate will provide the Group with an additional alternative and the flexibility in deciding the best financing methods for its future business development, the Directors consider that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Company’s future business development.

3. Fund raising activities of the Company in the past twelve months

No fund raising activities have been made by the Company for the twelve months period immediately prior to the Latest Practicable Date.

We consider that it is not unreasonable for the Directors to propose the grant of the New General Mandate at the SGM in order to give the Company greater flexibility in the issuance of new Shares and/or convertible instruments in future as and when the Company considers desirable for the benefit of the development of the Company.

4. Status of Utilization of the Current General Mandate

According to the Letter from the Board, the Current General Mandate was granted on the date of the AGM and has not been refreshed since the AGM.

The Company had in issue an aggregate of 1,105,018,244 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the grant of the New General Mandate and the basis that no Shares would be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM, the New General Mandate would allow the Directors to allot and issue up to a maximum of 221,003,648 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the date of SGM. The New General Mandate to issue Shares will, if granted, remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Bermuda law or Bye-laws; and (iii) its revocation or variation by ordinary resolutions of the Shareholders in general meeting.

5. Financial Flexibility

Given that equity financing is interest free and security free by nature, the Directors consider that equity financing serves as a cost effective means of raising additional capital for the Group as general working capital and to fund any additional investment requirements of existing or other new project development opportunities that may be identified in the future. In addition, the Directors are of the view that equity financing has merits over bank/debt financing to fund the Group's capital needs as the former could broaden the shareholder base of the Company without creating any additional interest burden to the Company. When comparing various equity financing methods, the Directors perceive that placing of new Shares would enable the Company to raise funds in a more commercially expedient time frame and would preserve shareholders' value due to the relatively small dilution effect on shareholdings of existing Shareholders.

6. Other Alternatives of Financing

We are represented that it is the Directors' belief that the New General Mandate will provide the Company with an additional alternative of equity funding when there is funding requirement or when any business opportunities arise in the future. It is reasonable to suggest that the New General Mandate could enhance the financing flexibility of the Company to raise equity funds, if and when required, by way of the issuance of new Shares and/or convertible instruments for further development of the Group. In addition, although the Directors have no concrete plan for exercising the New General Mandate to issue and allot Shares at the moment, the Board believes that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole by virtue of maintaining the financial flexibility for the Group's future business development and opportunities of funding which may arise at any time. The granting of the New General Mandate would provide the Group with higher degree of flexibility as allowed under the GEM Listing Rules to issue new Shares and/or convertible instruments to raise capital and strengthen the capital base of the Company as consideration or otherwise for such potential investments and/or acquisitions in the future as and when such opportunities arise. However, from our enquiry to the Directors and save as referred to elsewhere in this circular and the announcements and publications released to the Shareholders by the Company prior to the Latest Practicable Date, the Directors represented that there is no concrete proposal for any new investment or acquisition for the Group at present.

On the above basis, we hold the view that there are reasonable grounds for the Directors to propose the grant of the New General Mandate at the SGM.

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7. Potential dilution to shareholding interests of the Independent Shareholders

Based on information available from public source and from the Directors, we set out below a table setting out the shareholding structure of the Company as at the Latest Practicable Date and upon full utilization of the New General Mandate:

Shareholders	As at the		Upon full	
	Latest Practicable Date [#]	(%)	New General Mandate	(%)
	<i>(No. of Shares)</i>	<i>(%)</i>	<i>(No. of Shares)</i>	<i>(%)</i>
Feng Xiao Ping (<i>Note 1</i>)	41,718,750	3.78	41,718,750	3.15
Law Kwok Keung (<i>Note 2</i>)	104,520,000	9.46	104,520,000	7.88
Lee Yuk Lun	219,298,244	19.85	219,298,244	16.54
Public Shareholders	739,481,250	66.91	739,481,250	55.76
Subtotal	1,105,018,244	100.00	1,105,018,244	83.33
Shares issued under the New General Mandate	—	—	221,003,648	16.67
Total	1,105,018,244	100.00	1,326,021,892	100.00

Notes:

- 1) 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.
- 2) 104,520,000 Shares are held by Keenway Holdings Limited, a company controlled by Mr. Law Kwok Keung.

[#] *Source: the record from the Company.*

Assuming that (i) the grant of the New General Mandate will be approved at the SGM; (ii) no Shares will be repurchased and no new Shares will be issued from the Latest Practicable Date up to the date of the SGM (both dates inclusive); and (iii) upon full utilization of the New General Mandate, 221,003,648 Shares are to be issued, representing 20% and approximately 16.67% of the existing issued share capital as at the Latest Practicable Date and the enlarged issued share capital of the Company respectively. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 66.91% to approximately 55.76% upon full utilization of the New General Mandate.

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Taking into consideration that the New General Mandate will increase the amount of capital which may be raised thereunder and provides more options to the Group for financing further development of its business as well as other investments/acquisitions as and when such opportunities arise and the fact that the shareholding of all the Shareholders will be diluted to the same extent upon any utilization of the New General Mandate, we consider that the potential dilution to the shareholding of the Shareholders is acceptable.

Shareholders should note that the Current General Mandate will be revoked upon approval at the SGM of the New General Mandate which will be and continue to be in force until the earliest of (i) the conclusion of the Company's next annual general meeting; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and (iii) the revocation or variation of the authority given under the relevant resolution to be proposed at the SGM by ordinary resolution of the Shareholders in general meeting. Such duration is in compliance with the GEM Listing Rules.

8. Implication of the GEM Listing Rules

Pursuant to Rule 17.42A and Rule 17.47(4) of the GEM Listing Rules, the New General Mandate requires the approval of the Independent Shareholders for New General Mandate at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution(s) at the SGM to approve proposed granting and extension of the New General Mandate. Since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant ordinary resolution(s).

As at the Latest Practicable Date, Mr. Feng Xiao Ping, an executive Director, is interested as to 41,718,750 Shares through Sino Unicorn Technology Limited in which Mr. Feng held 51% indirect interest and Sky Dragon Digital Television and Movies Holdings Limited in which Mr. Feng held 99% indirect interest, representing approximately 3.78% of the total issued share capital of the Company. As a result, Mr. Feng Xiao Ping, Sino Unicorn Technology Limited, Sky Dragon Digital Television and Movies Holdings Limited and their respective associates will abstain from voting in favour of the relevant ordinary resolutions at the SGM to approve the New General Mandate. In such an event, the Board was advised by Mr. Feng Xiao Ping, Sino Unicorn Technology Limited, Sky Dragon Digital Television and Movies Holdings Limited and their respective associates that they have no intention to vote against the

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relevant ordinary resolution(s). Further, pursuant to Rule 17.42A of the GEM Listing Rules, any vote of the Independent Shareholders for New General Mandate at the SGM will be taken by poll for resolutions in relation to the New General Mandate.

9. Terms of the New General Mandate

As mentioned before, it is further stipulated that upon approval of the grant of the New General Mandate at the forthcoming SGM, the Current General Mandate will be revoked and the New General Mandate will be and continue to be effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Bermuda law or Bye-Laws; and (iii) the revocation or variation of the authority given under the relevant resolution to be proposed by ordinary resolution of the Shareholders in general meeting. Such duration is in compliance with Rule 17.42 of the GEM Listing Rules.

In view of the said stringent provisions and requirements of the GEM Listing Rules, we have reasons to believe that there to be sufficient control and measures to guide the refreshment of the Current General Mandate and the continuity of the New General Mandate. In this respect, we hold the view that the terms of the granting of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having considered the above principal factors and reasons and Directors' representations, on balance, we are of the opinion that in such circumstance the terms of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and the grant of the New General Mandate is in the interest of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, and also recommend the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution approving the grant of the New General Mandate at the SGM.

Yours faithfully,
For and on behalf of
WALLBANCK BROTHERS
Securities (Hong Kong) Limited
Phil Chan
Chief Executive Officer

SHARE OPTION SCHEME

The following is a summary of all the principal terms of Scheme II to be adopted by a resolution of the Shareholders at the SGM.

(a) Purpose of Scheme II

The purposes of Scheme II are to attract and retain the best available personnel, to provide additional incentive to employees, directors, consultants and advisers of the Company or any Subsidiary and to promote the success of the business of the Company or any Subsidiary.

Scheme II provides that the Company may specify a minimum holding period and performance conditions which must be satisfied before Options can be exercised by the option holders. In addition, the basis for the determination of the exercise price of the Options has been set out in Scheme II. The Board considers that the aforesaid criteria and the terms of Scheme II will serve to encourage option holders to acquire proprietary interests in the Company.

(b) Who may join

The Board may offer any employee (whether full-time or part-time), director, supplier, customer, contractor, sub-contractor, expert, consultant or adviser of the Company or any Subsidiary and any person at the Board absolute discretion who satisfies the eligibility requirement (the “Eligible Person”) Options to subscribe for Shares at a price calculated in accordance with paragraph (e) below and subject to the other terms of Scheme II summarised below. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant.

(c) Maximum number of Shares

(i) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under Scheme II and any other schemes of the Company shall not exceed such number of Shares as shall represent 30% of the issued share capital of the Company from time to time;

(ii) Subject always to the overall limit specified in paragraph (c) (i) above:

- the Board may grant Options under Scheme II, generally and without further authority, in respect of such number of Shares which may be issued upon exercise of all options to be granted under Scheme II and any other schemes in aggregate not exceeding 10% of the Shares in issue as at the date of approval of Scheme II (the “Scheme Mandate Limit”). For the avoidance of doubt, options lapsed in accordance with Scheme II shall not be counted for the purpose of calculating the Scheme Mandate Limit;

- the Scheme Mandate Limit may be renewed by obtaining approval of the Shareholders in general meeting provided that such renewed limit shall not exceed 10% of the Shares in issue as at the date of approval of such limit (the “Refreshed Limit”). Options previously granted under Scheme II (including those outstanding, cancelled, lapsed in accordance with Scheme II or exercised Options) shall not be counted for the purpose of calculating the Refreshed Limit. The Company shall send a circular to the Shareholders in accordance with and containing such information as required under rule 23.02 of the GEM Listing Rules; and
 - the Board may grant options in excess of the 10% limit to specifically identified Eligible Persons by first obtaining approval of the Shareholders in general meeting to grant the options in the amounts and to the Eligible Persons specified in the resolution. The Company shall send a circular to the Shareholders in accordance with and containing such information as required under rule 23.03 of the GEM Listing Rules.
- (iii) Unless approved by the Shareholders in general meeting, the total number of Shares issued and to be issued upon the exercise of the options granted to each Eligible Person (including both exercised, cancelled and outstanding options) in any 12 month period shall not exceed 1% of the relevant class of securities of the Company in issue.
- (iv) Further options may be granted to an Eligible Person, which, if exercised, would result in such Eligible Person becoming entitled to subscribe for Shares in excess of the limit stated in paragraph (c) (iii) above, by obtaining approval of the Shareholders of the Company in general meeting with such Eligible Person and his associate(s) abstaining from voting provided that the terms and number of Shares subject to the options to be granted to such Eligible Person are fixed before the relevant Shareholders’ approval is obtained, and the date of the meeting of the Board proposing such further grant shall be deemed to be the Date of Grant for the purpose of determining the Exercise Price of such option. The Company shall send a circular to Shareholders of the Company in accordance with and containing such information as required under rule 23.02 and 23.03(4) of the GEM Listing Rules.

(d) Performance target

Scheme II does not set out performance targets which must be achieved before the options may be exercised. However, on the grant of options by the Board, the Board may specify, as part of the terms and conditions of such option, the performance condition which must be satisfied before the option can be exercised.

(e) Exercise price

The amount payable for each Share to be subscribed for under an option in the event of the option being exercised shall be determined by the Board and shall be not less than the greater of ;

- (i) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on the date, which must be a Business Day, of the written notice from the Company granting the option (the "Date of Grant"); and
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant; and
- (iii) the nominal value of the Shares.

(f) Rights are personal to grantee

An option which has been granted and has neither lapsed nor been cancelled or exercised in full (the "Subsisting Option") and an offer to grant an option shall be personal to the Eligible Person to whom it is granted or made and shall not be transferred or assigned.

(g) Options granted to Directors or substantial shareholders

- (i) Any options granted to an Eligible Person who is a Director, chief executive or substantial shareholder (as defined in the GEM Listing Rules) of the Company or any of their respective associates shall be approved by the independent non-executive Directors and in any event if the proposed grantee is an independent non-executive Director, the vote of such grantee shall not be counted for the purposes of approving such grant.
- (ii) Any options granted to an Eligible Person who is a substantial Shareholder (as defined in the GEM Listing Rules) or independent non-executive Director or their respective associates, which will result in the total number of Shares issued and to be issued upon exercise of all the options granted and to be granted (including options whether exercised, cancelled or still outstanding) to such person in the period of 12 months up to and including the date of such grant:
 - representing in aggregate over 0.1% of the issued share capital of the Company; and

- having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000.00,

such further grant of options must be approved by the Shareholders in general meeting by poll convened and held in accordance with the Bye-Laws and GEM Listing Rules. The Company must send a circular to the Shareholders. All connected persons (as defined in the GEM Listing Rules) of the Company shall abstain from voting in favour at such general meeting. The aforementioned circular shall contain such information as required under rule 23.04 of the GEM Listing Rules.

(h) Grant of option

- (i) Each grantee of options will receive an option certificate sealed by the Company specifying the number of options granted and the number of Shares that may be granted under such options and specifying the applicable terms and conditions relating to such options. These terms and conditions may include provisions as to the performance conditions which must be satisfied before the option can be exercised, the minimum period for which an option must be held before it can be exercised, vesting conditions (if any), lapse conditions and such other provisions as the Board may determine provided that such provisions are not in contravention of the GEM Listing Rules. There is no minimum period for which an option must be held before it can be exercised but the Board may specify a period during which the option may be exercised.
- (ii) The Board shall not grant any option under Scheme II after a price sensitive development concerning the Company or any of its subsidiaries has occurred or a price sensitive matter concerning the Company or any of its subsidiaries has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the GEM Listing Rules. In particular, during the period of one month immediately preceding the earlier or (1) the date of the Board meeting for the approval of the Company's half-year or quarter-year period or annual or any other interim results; and (2) the deadline for the Company to publish its half-year or quarter-year period or annual results announcement or results announcements of any other interim period and ending on the date of the results announcement, no option shall be granted.

(i) Time of exercise of an option

An option may be exercised in accordance with the terms of Scheme II at any time during the period to be notified by the Board to each option holder upon the grant of option, such period not to exceed 10 years from the Date of Grant of the relevant option (the "Exercise Period").

(j) Cancellation of options

Any cancellation of any Subsisting Option shall be conditional on the approval by the Board (including the approval of independent non-executive Directors) and the option holder(s) concerned.

In the event that the Board elects to cancel Subsisting Options and issue new options to the same option holder, the issue of such new options shall be made with available unissued options (excluding the cancelled options) within the Scheme Mandate Limit or the Refreshed Limit, as the case may be.

(k) Voting and dividend rights

No voting rights shall be exercisable and no dividends shall be payable in relation to options that have not been exercised.

(l) Effects of alterations in the capital structure of the Company

Subject to the provisions as to maximum number of shares available for subscription, in the event of any capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made in relation to any Subsisting Option to:

- (i) the number of Shares subject to the unexercised option; and/or
- (ii) the amount payable for each Share to be subscribed for under an option granted, and/or
- (iii) in the event of a consolidation and/or subdivision of the share capital of the Company, the maximum number of Shares referred to in paragraph (c) above.

Any such corresponding alterations to the Subsisting Option shall be certified by the auditors for the time being of the Company as being fair and reasonable, and shall give an option holder the same proportion of the issued share capital of the Company as that to which he was previously entitled so that no such alteration shall have the effect of enabling any Share to be issued at less than its nominal value or which would result in the aggregate amount payable on the exercise of any option in full being increased.

(m) Rights on a takeover

If during the Exercise Period an offer is made to acquire all or part of the issued Shares (other than those held by the offeror and persons acting in concert with it) and such offer becomes or is declared unconditional, the Company shall give written notice to all persons then holding Subsisting Options and each such option holder may, by notice in writing to the Company, within 14 days of the date of such notice, exercise his option in full or to the extent specified in such notice.

(n) Rights on schemes of compromise or arrangement

If during the Exercise Period an application is made to the court (otherwise than where the Company is being voluntarily wound up) pursuant to the Companies Law or any other applicable laws in connection with a proposed compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), an option holder may be notice in writing to the Company, within a period of 21 days after the date of such application, exercise his Option in full or to the extent specified in such notice.

(o) Rights on a voluntary winding up

In the event that the Company gives notice of a meeting being convened to consider a resolution for the voluntary winding up of the Company during the Exercise Period, the Company shall forthwith upon such notice being given, give written notice to option holders of the convening of such meeting and an option holder may thereupon by notice in writing to the Company exercise any Subsisting Option at any time not later than five Business Days prior to the proposed general meeting of the Company to its full extent or to the extent specified in such notice.

(p) Ranking of Shares

Shares issued or transferred on the exercise of an Option shall rank equally in all respects with the other Shares of the same class in issue at the date of allotment (including without limitation as to voting, dividend and transfer rights and rights arising on the liquidation of the Company) and will be subject to all the provisions of the Bye-Laws. They shall not rank for any right attaching to Shares by reference to a record date preceding the date of allotment.

(q) Present status of Scheme II

Scheme II shall take effect subject to and is conditional on (i) the passing of an ordinary resolution to adopt Scheme II by the Shareholders at the SGM (with any persons required to abstain from voting under the GEM Listing Rules so abstaining), (ii) the listing committee of the Stock Exchange granting approval of Scheme II and the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of the Options.

(r) Duration of Scheme II

Scheme II will remain in force for a period to be notified by the Board, such period not to exceed the period of 10 years from the date on which it is adopted by resolution of the Shareholders in general meeting.

(s) Amendment of Scheme II

(i) Subject to paragraph (ii) below, the Board may amend any of the provisions of Scheme II or withdraw or otherwise terminate Scheme II at any time but no alterations shall be made to the advantage of any option holder unless approved by the Shareholders in general meeting of the Company. In addition, no alteration shall operate to affect adversely any rights which have accrued to any option holder at that date.

(ii) The Company in general meeting must approve in advance by ordinary resolution any proposed change which relates to the following:

- the terms of granted options;
- the rights of option holders in the event of a Capitalisation Issue, rights issue, sub-division or consolidation of shares or reduction or any other variation of capital of the Company;
- the provisions under Scheme II regarding the amendment of Scheme II;
- any matters set out in rule 23.03 of the GEM Listing Rules as amended from time to time.

- (iii) Except as described in paragraph (ii) above, the Board shall not require the approval of the Shareholders in general meeting for any minor changes:
- to benefit the administration of Scheme II;
 - to comply with or take account of the provisions of any proposed or existing legislation;
 - to take account of any changes to the legislation; or
 - to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company or any of its subsidiaries or any present or future option holder.
- (iv) Unless otherwise approved by the Stock Exchange, the amended terms of Scheme II or the Subsisting Options shall comply with the relevant requirement of the GEM Listing Rules.

(t) Lapse of options

An option shall lapse forthwith (to the extent not already exercised) on the earliest of the following events:

- (i) expiry of the Exercise Period;
- (ii) the first anniversary of the death of the option holder;
- (iii) in the case of an option holder who is an employee of the Company or any Subsidiary or a Director, upon the option holder ceasing to be an employee of the Company or any Subsidiary or its Director by reason of dismissal from employment or termination of office, in the case of an option holder who is a consultant or adviser of the Company or any Subsidiary, by reason of termination by the Company or any of its subsidiaries of the contract for provision of such services, in each case on the ground of:
 - (1) the option holder's misconduct;
 - (2) the option holder committing an act of bankruptcy;
 - (3) the option holder becoming insolvent or making any arrangements or composition with his creditors generally; or
 - (4) the option holder being convicted of any criminal offence involving his or her integrity or honesty;

- (iv) three months after the option holder ceases to be an employee of the Company or any Subsidiary by reason of:
 - (1) his retirement on or after attaining normal retirement age;
 - (2) his resignation;
 - (3) ill health or disability;
 - (4) the company by which he is employed ceasing to be a subsidiary of the Company;
 - (5) the expiry of his contract of employment with Company or any Subsidiary;
or
 - (6) termination of his employment with Company or any Subsidiary for reasons other than the reasons specified in paragraphs (ii) and (iii) above;
- (v) three months after the option holder ceases to be a Director for reasons other than the reasons specified in paragraphs (ii) and (iii) above;
- (vi) in the case of any takeovers, schemes of compromise or arrangement and liquidation, the expiry of the periods of notice as specified in Scheme II, provided that in the case of scheme of compromise or arrangement, such proposed compromise or arrangement becomes effective;
- (vii) save as otherwise provided, in the case of a voluntary winding up of the Company during the Exercise Period, the earlier of the close of business on the fifth Business Day prior to the general meeting convened to consider such voluntary winding up the Company or the date of the commencement of the winding up of the Company;
- (viii) any breach of the provision described in paragraph (e) above; or
- (ix) in the case of an option holder who is a consultant or adviser of the Company or any Subsidiary, on the date which is the later of (1) the date on which the Board resolves in its reasonable discretion that the option holder no longer provides consultancy or advisory (as appropriate) services to the Company or any Subsidiary; and (2) the date which falls three months after the date on which the option holder is notified of such resolution.

(u) Termination

In the event that the Board elects to terminate the operation of Scheme II, no further option shall be offered but the provisions of Scheme II shall remain in force in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the terms of Scheme II.

(v) Disclosure of Scheme II

The Company shall disclose all information as required by GEM Listing Rules or any other applicable rules and regulations in its annual and interim reports.



CHINA CHIEF CABLE TV GROUP LIMITED

中國3C集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8153)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of China Chief Cable TV Group Limited (the “Company”) will be held on Monday, 2 February 2009 at 5:00 p.m. at Conference Room, 19th Floor, CMA Building, 64-66 Connaught Road, Central, Hong Kong to consider and, if thought fit, to pass, with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** conditional on the GEM Listing Committee of the Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, the shares in the capital of the Company (the “**Shares**”) which may fall to be issued pursuant to the share option scheme (a copy of which is produced to the meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) (the “**Scheme II**”), Scheme II be and is hereby approved and adopted by the Company and the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any options granted thereunder and to take such steps and do such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to Scheme II.”

2. “**THAT**, to the extent not already exercised, the mandate to issue and allot shares of the Company given to the Directors at the annual general meeting (the “**AGM**”) of Company held on 11 August 2008 be and is hereby revoked and replaced by the mandate **THAT**:
 - (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as hereafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF SGM

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to (i) a Rights Issue (as hereafter defined); (ii) the exercise of any option granted under the share option scheme of the Company; (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or warrants to subscribe for shares of the Company; or (iv) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the bye-laws of the Company in force from time to time, shall not exceed the aggregate of:
 - i. 20 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - ii. (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing this resolution (up to a maximum equivalent to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purpose of this resolution,

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; or
- iii. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.

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“**Rights Issue**” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any relevant jurisdiction or any recognised regulatory body or any stock exchange applicable to the Company).”

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

Hong Kong, 13 January 2009

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company.
- (2) Where there are joint holders of any share any one of such joint may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the SGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the principal register and where applicable any branch register of members to be kept pursuant to the provisions of the Companies Act in respect of the joint holding.
- (3) In order to be valid, the form of proxy, together with any power of attorney or authority under which it is signed or a certified copy of that power of attorney or authority, must be delivered to the Company's branch share registrar in Hong Kong, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment meeting at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the SGM or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.