CHINA CHIEF CABLE TV GROUP LIMITED
中國3C集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8153)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

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This announcement, for which the directors (the "Directors") of China Chief Cable TV Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities ("GEM Listing Rules") on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* *For identification only*

The board of directors (the "Board") of China Chief Cable TV Group Limited (the "Company") hereby announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008, together with the comparative figures for the corresponding period in 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Note	**2008**	2007
		HK$'000	*HK$'000*
Turnover	*2*	**12,954**	13,303
Cost of sales		**(14,427)**	(12,378)
Gross (loss)/profit		**(1,473)**	925
Other revenue	*2*	**6,753**	82
General, administrative and other expenses		**(28,369)**	(15,058)
Loss from operations		**(23,089)**	(14,051)
Finance costs	*3*	**(2,598)**	(3,653)
Loss before income tax	*4*	**(25,687)**	(17,704)
Income tax credit	*5*	**—**	643
Loss attributable to equity holders of the Company		**(25,687)**	(17,061)
Basic loss per share	*6*	**(6.57 HK cents)**	(5.46 HK cents)

CONSOLIDATED BALANCE SHEET

As at 31 March 2008

	Note	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment		**10,672**	15,009
Intangible assets		**1,197**	5,206
		11,869	20,215
Current assets			
Inventories		**2,518**	1,441
Accounts receivable	*8*	**3,896**	5,042
Other receivables and deposits		**50,883**	31,223
Financial assets at fair value through profit or loss		**4,560**	—
Bank balances and cash		**72,316**	296
		134,173	38,002
Current liabilities			
Accounts payable	*9*	**2,185**	1,182
Other payables and accrued charges		**8,229**	8,699
Amounts due to related companies		**7,080**	7,552
Amount due to a director		**4,864**	3,665
Bank and other loans		**11,664**	52,487
		34,022	73,585
Net current assets/(liabilities)		**100,151**	(35,583)
Total assets less current liabilities		**112,020**	(15,368)
Non-current liabilities			
Bank and other loans		**—**	6,150
Net assets/(liabilities)		**112,020**	(21,518)
Capital and reserves			
Share capital		**4,380**	3,125
Reserves		**107,640**	(24,643)
		112,020	(21,518)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2008

	Share Capital	Share Premium	Accumulated Losses	Merger Reserve (Note b)	Share-based payment Reserve	Exchange Reserve	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2006	3,125	27,783	(41,320)	(197)	6,000	202	(4,407)
Exchange differences *(Note a)*	—	—	—	—	—	(50)	(50)
Loss for the year	—	—	(17,061)	—	—	—	(17,061)
At 31 March 2007 and 1 April 2007	3,125	27,783	(58,381)	(197)	6,000	152	(21,518)
Issue of shares, net of expenses	1,255	157,446	—	—	—	—	158,701
Exchange differences *(Note a)*	—	—	—	—	—	524	524
Loss for the year	—	—	(25,687)	—	—	—	(25,687)
At 31 March 2008	4,380	185,229	(84,068)	(197)	6,000	676	112,020

Note:

(a) Exchange differences represent adjustments arising on translation of financial statements of subsidiary outside Hong Kong not recognized in the consolidated income statement.

(b) The merger reserve of the Group represents the difference between the nominal value of the share capital of a subsidiary acquired and the nominal value of the shares issued by the Company in exchange thereof pursuant to the Group reorganisation on 20 March 2001 as set out in the prospectus of the Company dated 26 March 2001.

Notes:

1. Summary of Signifcant Accounting Policies

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by revaluation of financial assets at fair value through profit or loss which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Impact of new and revised Hong Kong Financial Reporting Standards

HKICPA has issued the following new standards, amendments to standards and interpretations that have become effective for the year ended 31 March 2008:

HKAS 1 Amendment	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions

The Group has adopted the above new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

Impact of issued but not yet effective Hong Kong Financial Reporting Standards

The Group has also considered the new standards, amendments or interpretations that may be applicable to the Group. The Group has not yet early adopted the following new standards, amendments and interpretations that have been issued but are not yet effective. The management has determined that it is not yet in a position to reasonably ascertain how the following amendment may affect the results of operations and financial position of the Group.

HKAS 1 (Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 Amendment	Financial Instruments: Presentation[1]
HKFRS 2 Amendment	Share-based Payment — Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 12	Service Concession Arrangements[3]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[2]
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

1. Effective for annual periods beginning on or after 1 January 2009
2. Effective for annual periods beginning on or after 1 July 2008
3. Effective for annual periods beginning on or after 1 January 2008
4. Effective for annual periods beginning on or after 1 July 2009

2. Turnover, other revenue and segment information

The Group is principally engaged in the provision of pre-mastering and other media services, the provision of audiovisual playout services in Hong Kong and the development of digital television system platform and provision of related service, sales and rental of set-top boxes, development of program database, design and manufacture of digital television equipment and facilities in the People's Republic of China ("PRC") (collectively known as "TV digitalisation related services"). Revenues recognised during the year are as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Turnover		
Provision of pre-mastering and other media services	**9,510**	9,139
Provision of audiovisual playout services	**3,170**	3,989
Provision of TV digitalisation related services	**274**	175
	12,954	13,303
Other revenue		
Interest income	**6,744**	79
Others	**9**	3
	6,753	82
Total revenues	**19,707**	13,385

Primary report format — business segments

The Group is organised into three main business segments:

- — Provision of pre-mastering and other media services — include editing, authoring and digitalisation of audiovisual data processes;
- — Provision of audiovisual playout services on audiovisual data; and
- — Provision of TV digitalisation related services — development of digital set-top boxes and the system platform for digital TV network and provision of digitalisation related technical support services.

An analysis of the Group's segment information for the year by principal activity and market is as follows:

	For the year ended 31 March 2008			
	Provision of premastering and other media services	**Provision of audiovisual playout services**	**Provision of TV digitalisation related services**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	**9,510**	**3,170**	**274**	**12,954**
Segment results	**508**	**(2,450)**	**(1,816)**	**(3,758)**
Unallocated income				**1,393**
Unallocated expenses				**(20,724)**
Loss from operations				**(23,089)**
Finance costs				**(2,598)**
Loss before income tax				**(25,687)**
Income tax expenses				**—**
Loss attributable to equity holders of the Company				**(25,687)**
Segment assets	**5,361**	**1,525**	**16,488**	**23,374**
Unallocated assets				**122,668**
Total assets				**146,042**
Segment liabilities	**2,554**	**315**	**21,298**	**24,167**
Unallocated liabilities				**9,855**
Total liabilities				**34,022**
Capital expenditure	**551**	**293**	**453**	**1,297**
Unallocated capital expenditure				**621**
Total capital expenditure				**1,918**
Depreciation	**1,616**	**1,616**	**3,734**	**6,966**

	For the year ended 31 March 2007			
	Provision of premastering and other media services	Provision of audiovisual playout services	Provision of TV digitalisation related services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	9,139	3,989	175	13,303
Segment results	1,426	(986)	(8,316)	(7,876)
Unallocated income				4
Unallocated expenses				(6,179)
Loss from operations				(14,051)
Finance costs				(3,653)
Loss before income tax				(17,704)
Income tax credit				643
Loss attributable to equity holders of the Company				(17,061)
Segment assets	6,797	3,080	42,317	52,194
Unallocated assets				6,023
Total assets				58,217
Segment liabilities	1,263	292	67,808	69,363
Unallocated liabilities				10,372
Total liabilities				79,735
Capital expenditure	111	83	239	433
Unallocated capital expenditure				126
				559
Depreciation	1,815	1,807	3,660	7,282

Secondary report format — geographical segments

The Group's three business segments operated in two main geographical areas:

— Hong Kong — provision of pre-mastering and other media services and provision of audiovisual playout services;

— PRC — development of digital television system platform and provision of related services, sales and rental of set-top boxes, development of program database, design and manufacture of digital television equipment and facilities.

	For the year ended 31 March 2008			
	Turnover	**Segment results**	**Segment assets**	**Capital expenditure**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Hong Kong	**12,680**	**(1,942)**	**129,554**	**1,465**
PRC	**274**	**(1,816)**	**16,488**	**453**
	12,954	**(3,758)**	**146,042**	**1,918**
Unallocated income		**1,393**		
Unallocated expenses		**(20,724)**		
Loss from operations		**(23,089)**		

	For the year ended 31 March 2007			
	Turnover	Segment results	Segment assets	Capital expenditure
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	13,128	440	15,900	320
PRC	175	(8,316)	42,317	239
	13,303	(7,876)	58,217	559
Unallocated income		4		
Unallocated expenses		(6,179)		
Loss from operations		(14,051)		

3. Finance costs

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Interest on bank loans	**1,820**	2,827
Interest on other loans	**778**	826
	2,598	3,653

4. Loss before income tax

Loss before income tax is stated after charging the following:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Amortisation of club membership	**6**	6
Amortisation of film rights	**924**	618
Auditors' remuneration	**409**	323
Bad debt written off	**—**	29
Depreciation	**6,966**	7,282
Impairment of goodwill	**4,007**	—
Loss on financial assets at fair value through profit or loss	**3,816**	—

5. Income tax credit

No provision for Hong Kong profits tax and PRC enterprise income tax has been made in these financial statements as there was no estimated assessable profits for the year (2007: Nil).

The amount of income tax in consolidated income statement represents:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Current taxation	—	—
Deferred taxation relating to the origination and reversal of temporary differences	—	643
Tax credit for the year	—	643

The tax credit for the year can be reconciled to the loss before income tax per consolidated income statement as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Loss before income tax	**(25,687)**	(17,704)
Tax at the domestic income tax rate of 17.5% (2007: 17.5%)	**(4,495)**	(3,098)
Tax effect of non-deductible expenses	**1,218**	633
Tax effect of utilisation of previously unrecognized tax losses	—	(10)
Tax effect of current year's tax losses unrecognized	**3,167**	3,262
Tax effect of temporary differences not previously recognized	**392**	(353)
Effect of different tax rates at overseas jurisdiction	**(282)**	(1,077)
Tax credit for the year	—	(643)

6. Basic loss per share

The basic loss per share is calculated based on the loss attributable to equity holders of the Company of HK$25,687,000 (2007: HK$17,061,000) and on 391,119,000 (2007: 312,500,000) weighted average number of ordinary shares in issue during the year.

The diluted loss per share for the years ended 31 March 2008 and 31 March 2007 have not been disclosed as the share options outstanding these years had an anti-dilutive effect on the basic loss per share for these years.

7. Dividends

The directors do not recommend the payment of a dividend for the year ended 31 March 2008.

8. Accounts receivable

The Group's credit term granted to trade debtors generally ranges from 15 to 90 days. At 31 March 2008, details of the ageing analysis of accounts receivable were as follows:

	2008	2007
	HK$'000	*HK$'000*
Current	**1,098**	467
30 — 60 days	**388**	295
61 — 90 days	**3**	91
Over 90 days	**2,407**	4,189
	3,896	5,042

The carrying amounts of the Group's accounts receivable approximate their fair values.

9. Accounts payable

At 31 March 2008, details of the ageing analysis of accounts payable were as follows:

	2008	2007
	HK$'000	*HK$'000*
Current	**1,183**	371
30 — 60 days	**411**	70
Over 60 days	**591**	741
	2,185	1,182

The carrying amounts of the Group's accounts payable approximate their fair values.

BUSINESS REVIEW AND FINANCIAL REVIEW

Financial review

For the year ended 31 March 2008, the Group recorded a turnover of approximately HK$12,954,000 (2007: approximately HK$13,303,000). The decrease was mainly due to the decreased demand of playout, pre-mastering and post-production services generated from Pay TV channels launched.

Income from pre-mastering and other media services ("Media Services") accounted for approximately 73% (2007: approximately 69%) of the Group's turnover.

Income from the provision of audiovisual playout services ("Playout Services") accounted for approximately 25% (2007: approximately 30%) of the Group's turnover. Three channels were terminated in last year which resulted in no related income during the current year and lead to the drop in the Playout Service income.

Income from provision of TV digitalisation related services amounted to approximately HK$274,000 (2007: HK$175,000). The business of Sky Dragon Group has been launched since the fourth quarter of 2004 and the income will be further improved as a result of the process of launching digital television network across the PRC by the PRC government.

The Group generated a gross loss of approximately HK$1,473,000 (2007: gross profit of approximately HK$925,000) out of a total turnover of approximately HK$12,954,000 (2007: approximately HK$13,303,000). The gross profit margin has been decreased from 7% in 2007 to gross loss of 11% in the current year, mainly due to the decrease in playout income and equipment rental expenses incurred to lease high definition equipments to maintain its competitiveness in the market during the year. Besides, not much income has been generated from the provision of TV digitalisation related services, which has been acquired by the Group since August 2004, yet while certain direct costs such as depreciation and salary expenses has to be incurred contributed to the decrease in gross profit margin.

Business Pursuits and Prospects

The Group acquired a new business for the provision of TV digitalisation related services in August 2004 in order to expand its business scope in the PRC and grabbed the opportunities of network digitalisation in the PRC. At present, the PRC government is in the process of launching the digital television network to completely phase out the prevailing analog television network gradually across the country by Year 2015. It is expected that, the cable television networks in the direct-controlled cities and provinces in the eastern, middle and western parts of the PRC (including Hunan Province) will be digitalised in the near future. With such large hinterland, immense population, encouraging government policy, the management is optimistic and confident about the future of the digital television market in PRC and will continue to explore new business opportunities for this segment.

Hunan TV, the authorised digital television network operator in Hunan Province, owns and operates a fibre optic trunk network covering 14 major districts in Hunan (the "First Tier Network"). The First Tier Network is connected to fibre optic trunk networks in 108 cities and counties in Hunan (the "Second Tier Network"). The First Tier Network and the Second Tier Network together form a province-wide cable television network in Hunan, covering over 4 million households in the territory which is the source of income by virtue of sharing of the subscription fee from these households with Hunan TV after deducting a fee to Second Tier Network Operators. In order to provide digital television services to subscribers, the Second Tier Network Operators must enter into agreement with Hunan TV on the sharing of subscription fee. The number of Second Tier Network Operators who has not yet reached agreement with Hunan TV is 53 as at the date of this announcement.

In order to enlarge the audience base and increase popularity, we are exploring opportunities to enrich the content of programs for the channel. On the other hand, we are waiting for the process of the network restructure throughout the province by the relevant authority. Management expects that after the process of the network restructuring, the number of the subscribers will then increase progressively.

Due to the success in the Hong Kong market, the Group has considered the feasibility of managing playout channels in the South East Asia countries especially those with large Chinese-related population. The Group is now managing a playout channel in Singapore. The channel was running smoothly since then. This encouraging start has further strengthen the confidence of the Group on targeting the South East Asia market.

As the Pay TV market has been getting more complicated with the emergence of broadband network, the demand for audiovisual contents as well as its quality increases dramatically. The management believed that it is a good opportunity to capitalise on its expertise and experience in audiovisual technology, and to pursue the concept of providing media service as a whole. In September 2007, the Group entered into an agreement to acquire 80% interest in Nanjing Everyday Buy Trading Co. Ltd. ("Nanjing Everyday Buy") which has obtained shareholders approval in a special general meeting held in November 2007. Following the completion of acquisition on 28 April 2008, the Group has an opportunity to leverage on its expertise and network in the PRC television market and to tap into the growth potential of the television advertising and direct TV sales market in the PRC.

Following the fund raising exercise in July and October 2007, the Group raised funds of approximately HK$159 million to enhance the working capital of the Group.

The Group will continue to endeavour its best effort in keeping its established brand in Hong Kong and will also adopt a positive approach towards the bright digital television market in the PRC.

LIQUIDITY AND FINANCIAL RESOURCES

The Group used to finance its operation using internally generated cashflows. However, the acquisition of its subsidiaries and related capital investments in certain digital television equipments and machineries induce the need for certain debt financing and fund raising. At the balance sheet date, the Group's bank and other borrowings amounted to HK$11,664,000 (2007: HK$58,637,000) including nil secured borrowing (2007: borrowing of HK$500,000 which was secured by the Group's certain property, plant and equipment with net book value HK$2,601,000). Cash and deposit at bank amounted to HK$72,316,000 (2007: HK$296,000) and net cash HK$60,652,000 (2007: net borrowings HK$58,341,000). The significant increase of cash and deposit at bank was mainly attributable to the net proceeds of HK$159 million from the two shares subscriptions in July and October 2007. The total proceeds from the two subscriptions are aggregated for the expansion of Pay TV market and general working capital of the Group. In turn, the gearing ratio became 10% (2007: 100%) based on the total bank and other loans of approximately HK$11,664,000 (2007: HK$58,637,000) and the total net assets of HK$112,020,000 (2007: total assets of HK$58,217,000).

The Group's bank balances and borrowings are denominated in Hong Kong dollars and Renminbi and the Group has no significant exposure to foreign currency fluctuations.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2008.

EMPLOYEE INFORMATION

As at 31 March 2008, the Group had 74 full-time employees. Employees costs, including directors' emoluments for the year amounted to approximately HK$10,204,000. Remuneration is reviewed annually and employees are rewarded on a performance related basis. In addition to the basic salaries, a wide range of benefits, including medical coverage, provident funds, training and development programmes and long service awards are also provided on an ongoing basis to employees of the group. The Group has a share option scheme whereby qualified employees may be granted options to acquire shares of the Company.

SUBSEQUENT EVENT

On 16 April 2008, the Group acquired the entire issued share capital of Ingorus Investments Limited ("Ingorus") for a consideration of HK$1,200,000. Ingorus is a company incorporated in the British Virgin Islands and engaged in investment holding.

On 28 April 2008, the Group completed the acquisition of 80% equity interest in Nanjing Everyday Buy for a total consideration of RMB350,000,000, which was satisfied by (i) cash RMB30,000,000, (ii) allotment and issue of 156,000,000 shares of the company at issue price of HK$0.32 per share and (iii) issue of convertible bonds in the principal amount of HK$282,880,000. Nanjing Everyday Buy is a company incorporated in the PRC and engaged in television advertising and direct TV sales.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the Code for the year ended 31 March 2008, with the exception of the deviation in respect of the appointment term of non-executive directors as mentioned below.

Under code provision A.4.1, non-executive directors should be appointed for specific term. There is no specific term of appointment of the non-executive directors of the Company, however, they are subject to retirement by rotation in accordance with Bye-law of the Company. Accordingly the Company considers that sufficient measures have been taken to dealt with the requirement in respect of the appointment terms of non-executive directors as required under the code provision.

AUDIT COMMITTEE

The Company has established an audit committee comprising three independent non-executive directors and has adopted the terms of reference governing the authority and duties of the audit committee. The present members of the audit committee are Mr. Sousa Richard Alvaro, Mr. Chang Carl and Mr. Lee Chi Hwa, Joshua. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control of the Group. Four meetings were held during the current financial year and the annual results have been reviewed by the audit committee.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

On behalf of the Board
Tong Hing Chi
Chairman

Hong Kong, 26 June 2008

As of the date hereof, the executive directors are Mr. Tong Hing Chi, Mr. Law Kwok Leung and Mr. Feng Xiao Ping and Wong Man Hung, Patrick, the non-executive director is Mr. Chan Kwok Sun, Dennis 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 "Latest Company Announcements" page of the GEM website 7 days from the day of its posting.