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## **CULTURECOM HOLDINGS LIMITED**

文化傳信集團有限公司\*

*(incorporated in Bermuda with limited liability)*

(Stock Code: 343)

(Warrant Code : 424)

### **DELAY IN DESPATCH OF CIRCULAR AND AMENDMENT OF TERMS OF SALE AND PURCHASE AGREEMENT**

#### **DELAY IN DESPATCH OF CIRCULAR**

As additional time is required to prepare the technical report regarding Yi Dong Oilfield to be included in the Circular, the Company expects that the despatch of the Circular will be delayed from 20 August 2007 to on or before 20 September 2007.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules such that the despatch of the Circular be postponed to on or before 20 September 2007.

#### **AMENDMENT OF TERMS OF SALE AND PURCHASE AGREEMENT**

On 20 August 2007, the Purchaser, the Vendor and Mr. Liao entered into a supplemental agreement to amend certain terms of the S&P Agreement. The Amendments include (i) the extension of the time within which the conditions precedent to the S&P Agreement shall be fulfilled from two months to three months; and (ii) the deletion and substitution of the condition precedent regarding Subsidiary B and Da Ming Petro having entered into a cooperation agreement (in form and substance satisfactory to the Purchaser) for the development and exploration of petroleum in Chaoshui Basin (潮水盆地) situated in the region of Gansu by the Vendor agreeing to use its best endeavour to procure the Chaoshui Basin (潮水盆地) Cooperation to be concluded within 12 months from the date of the S&P Agreement.

## INTRODUCTION

Reference is made to the announcement (the “**Announcement**”) of the Company dated 30 July 2007 in relation to, among other things, the acquisition by the Purchaser, a wholly-owned subsidiary of the Company of the entire issued share capital of the Target, which is wholly and beneficially owned by the Vendor. The Proposed Acquisition constituted a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. Terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

## DELAY IN DESPATCH OF CIRCULAR

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to despatch the circular (the “**Circular**”) containing, among other things, details of the Proposed Acquisition, the Technical Report and a notice of the SGM of the Company to the Shareholders within 21 days after the publication of the Announcement, which shall be on or before 20 August 2007. As additional time is required to prepare the technical report regarding the Yi Dong Oilfield to be included in the Circular, the Company expects that the despatch of the Circular will be delayed from 20 August 2007 to on or before 20 September 2007.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules such that the despatch of the Circular be postponed to on or before 20 September 2007.

## AMENDMENT OF TERMS OF SALE AND PURCHASE AGREEMENT

On 20 August 2007, the Purchaser, the Vendor and Mr. Liao entered into a supplemental agreement to amend certain terms of the S&P Agreement. The amendments include (i) the extension of the time within which the conditions precedent to the S&P Agreement shall be fulfilled from two months to three months (or such later date as all parties to the S&P Agreement may agree); and (ii) the deletion and substitution of the condition precedent regarding Subsidiary B and Da Ming Petro having entered into a cooperation agreement (in form and substance satisfactory to the Purchaser) for the development and exploration of petroleum in Chaoshui Basin (潮水盆地) situated in the region of Gansu, which is condition (f) set out in the Announcement under the heading “Conditions Precedent” (the “**Chaoshui Basin (潮水盆地) Cooperation**”) by the Vendor agreeing to use its best endeavour to procure the Chaoshui Basin (潮水盆地) Cooperation to be concluded within 12 months from the date of the S&P Agreement (the “**Condition Amendment**”).

In view of the delay in despatch of the Circular, the Purchaser, the Vendor and Mr. Liao agreed to extend the time within which the conditions precedent to the S&P Agreement shall be fulfilled from two months to three months.

As disclosed in the Announcement, it was understood that the Chaoshui Basin (潮水盆地) Cooperation would take the form similar to the cooperation in Yi Dong Oilfield. Although the form of cooperation in Chaoshui Basin (潮水盆地) has more or less been finalised, certain crucial information on Chaoshui Basin (潮水盆地), such as the geological report and exploration report, have yet been provided to the Vendor by Da Ming Petro and according to the Vendor, those information may take two to three months time to complete.

In the circumstances, as further time is required for concluding the Chaoshui Basin (潮水盆地) Cooperation, the Purchaser further agreed with the Vendor on the deletion and substitution of the condition of Chaoshui Basin (潮水盆地) Cooperation by the Vendor agreeing to use its best endeavour to procure the Chaoshui Basin (潮水盆地) Cooperation to be concluded within 12 months from the date of the S&P Agreement, such that the Proposed Acquisition, a commercially viable and sound transaction, may proceed without delay. The Company will re-comply with the Listing Rules, as and when appropriate, after the conclusion of the Chaoshui Basin (潮水盆地) Cooperation. Further announcement(s) will be made should there be any further changes to the Chaoshui Basin (潮水盆地) Cooperation.

The Directors do not consider the Condition Amendment to be material variation, in particular, the bases upon which the Consideration for the Proposed Acquisition of HK\$213 million was determined remain the same. As disclosed in the Announcement, the Consideration of HK\$213 million, which is to be settled by the issue of 1,000,000,000 Consideration Shares at the issue price of HK\$0.213 each, was agreed between the Vendor and the Purchaser after arm's length negotiations on normal commercial terms after having considered (i) the estimated petroleum reserve and its market value contained in Yi Dong Oilfield as provided in the petroleum reserve reports thereon dated February 1986 and September 1998 prepared by Shengli Geological Research Institute and Shengli Oilfield Administrative Bureau respectively provided by the Vendor, (ii) the prospects of the Target Group in light of its cooperative relationship with Da Ming Petro and its parent company, Sinopec Shengli in Yi Dong Oilfield and the prospective Chaoshui Basin (潮水盆地), and (iii) the Profit Guarantee. The Company expects that the Chaoshui Basin (潮水盆地) Cooperation would proceed and that the Profit Guarantee will not be affected by the Condition Amendment in a material respect.

Since it may not be possible for concluding the Chaoshui Basin (潮水盆地) Cooperation in a short duration of time, the Directors consider the Condition Amendment to be fair and reasonable and in the interest of the Group and the Shareholders as a whole such that the Proposed Acquisition, a rather commercially viable and sound transaction, will not be affected by the delay in the Chaoshui Basin (潮水盆地) Cooperation.

Save as disclosed herein, other terms in the S&P Agreement remain unchanged.

By order of the Board  
**CULTURECOM HOLDINGS LIMITED**  
**Cheung Wai Tung**  
*Chairman*

Hong Kong, 20 August 2007

*As at the date of this announcement, the Board comprises of Mr. Cheung Wai Tung, Mr. Chu Bong Foo, Mr. Henry Chang Manayan, Mr. Wan Xiaolin, Mr. Tai Cheong Sao (all being executive directors); and Mr. Lai Man To, Mr. Wang Tiao Chun, Mr. Joseph Lee Chennault and Mr. Chung Billy (all being independent non-executive directors).*

*\* for identification purpose only*