
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your securities in Culturecom Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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: 453)

**PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SECURITIES AND TO ISSUE
NEW SHARES OF THE COMPANY
AND
PROPOSED REFRESHMENT OF THE LIMIT OF
THE EXISTING SHARE OPTION SCHEME
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Culturecom Holdings Limited to be held at Function Room – 6/F Tin Hau, L' hotel Causeway Bay Harbour View Hong Kong, 18-24 King's Road, Causeway Bay, Hong Kong on Tuesday, 9 September 2008 at 10:30 a.m. is set out on pages 17 to 24 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk).

Whether or not you are able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at Units 610C, 612-613, Level 6, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

* for identification purpose only

15 August 2008

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RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Function Room – 6/F Tin Hau, L’ hotel Causeway Bay Harbour View Hong Kong, 18-24 King’s Road, Causeway Bay, Hong Kong on Tuesday, 9 September 2008 at 10:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 24 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Buyback Mandate”	the repurchase mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the powers of the Company to repurchase up to a maximum of 10% of the issued Shares and Warrants of the Company as at the date of passing the relevant resolution granting such mandate by the Shareholders;
“Bye-laws”	the Bye-laws adopted by the Company on 15 June 1993 and including subsequent amendments, and “Bye-law” shall mean a bye-law of the Bye-laws;
“Company”	CULTURECOM HOLDINGS LIMITED, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted by the Company’s shareholders at the annual general meeting of the Company held on 21 August 2002;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Issuance Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution granting such mandate by the Shareholders and the extension of the same by adding to it the aggregate number of the issued Shares repurchased by the Company under the Buyback Mandate;

DEFINITIONS

“Latest Practicable Date”	11 August 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Options”	options to subscribe for Shares granted under the Previous Share Option Scheme or the Existing Share Option Scheme or any other share option scheme of the Company;
“Participants”	any employees or directors of the Company, any of its subsidiaries or any invested entity in which the Group holds any equity interest (including executive directors, non-executive directors and independent non-executive directors of the Company, any of its subsidiaries or any invested entity) and suppliers, customers, consultants and shareholders of the Group or any invested entity in which the Group holds any equity interest;
“Previous Share Option Scheme”	the previous share option scheme of the Company adopted on 15 June 1993 and terminated on 21 August 2002;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong;
“Warrants”	warrants issued by the Company conferring rights to the holder(s) thereof to subscribe in cash for Shares at an initial subscription price of HK\$0.138 per Share, subject to adjustment, at any time up to and including 6 January 2010.

LETTER FROM THE BOARD



CULTURECOM HOLDINGS LIMITED

文化傳信集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 343)

(Warrant Code: 453)

Executive Directors:

Mr. Cheung Wai Tung (*Chairman*)
Mr. Chu Bong Foo (*Vice-Chairman*)
Mr. Kwan Kin Chung (*Managing Director*)
Mr. Henry Chang Manayan
Mr. Wan Xiaolin
Mr. Tai Cheong Sao
Mr. Chung Billy
Mr. Tang U Fai

Independent Non-Executive Directors:

Mr. Lai Man To
Mr. Joseph Lee Chennault
Mr. Wang Tiao Chun

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal Office:

Units 610C, 612-613
Level 6, Core D
Cyberport 3
100 Cyberport Road
Hong Kong

15 August 2008

*To the shareholders and, for information only,
warrantholders of the Company*

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SECURITIES AND TO ISSUE
NEW SHARES OF THE COMPANY
AND
PROPOSED REFRESHMENT OF THE LIMIT OF
THE EXISTING SHARE OPTION SCHEME
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the extension of the Issuance

* for identification purpose only

LETTER FROM THE BOARD

Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Buyback Mandate; (iv) the refreshment of the existing Scheme Mandate Limit; (v) the re-election of retiring Directors; and (vi) the amendments of the Bye-laws.

2. BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 21 September 2007, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and Warrants and to issue new Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase on the Stock Exchange up to 10% of the Shares and Warrants of the Company on the date of passing of such resolution (the “Buyback Mandate”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution (the “Issuance Mandate”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 10 and 11 set out in the notice of the Annual General Meeting. With reference to the Buyback Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in the Appendix I to this circular.

3. REFRESHMENT OF THE EXISTING SCHEME MANDATE LIMIT

The Company adopted the Existing Share Option Scheme and terminated the Previous Share Option Scheme at its annual general meeting held on 21 August 2002. Upon termination of the Previous Share Option Scheme, no further Options can be granted thereunder but in all other respects, the provisions of the Previous Share Option Scheme shall remain in force and any Options granted prior to such termination shall continue to be valid and exercisable in accordance therewith.

LETTER FROM THE BOARD

Pursuant to the terms of the Existing Share Option Scheme, among other things:

- (a) the Shares which may be issued upon exercise of all Options granted/to be granted under the Existing Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the Shares in issue as at the date of adoption of the Existing Share Option Scheme, being 21 August 2002 (the “Scheme Mandate Limit”) (excluding, for this purpose, Options which have lapsed in accordance with the terms of the Existing Share Option Scheme or any other share option schemes of the Company);
- (b) The Scheme Mandate Limit may be refreshed by obtaining approval of the Shareholders in general meeting provided that the new limit under the refreshed Scheme Mandate Limit must not exceed 10% of the Shares in issue at the date of the Shareholders’ approval of such refreshed Scheme Mandate Limit. Options previously granted under the Existing Share Option Scheme or any other share option schemes of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the Existing Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the refreshed Scheme Mandate Limit; and
- (c) the overall limit on number of Shares which may issued upon exercise of all outstanding Options granted and yet to be exercised under the Existing Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the “Overall Limit”).

As at the Latest Practicable Date, the Company had granted to certain grantees Options to subscribe for an aggregate of 2,211,000,000 Shares under the Previous Share Option Scheme and the Existing Share Option Scheme, out of which Options to subscribe for 42,135,000 Shares have lapsed and Options to subscribe for 690,400,000 Shares have been exercised. As at the Latest Practicable Date, Options carrying the rights to subscribe up to a total of 1,478,465,000 Shares (representing approximately 20.84% of the Shares in issue as at the Latest Practicable Date) remained outstanding under the Previous Share Option Scheme and the Existing Share Option Scheme.

The existing Scheme Mandate Limit is 575,247,964 Shares which was approved at the previous annual general meeting held on 21 September 2007. Options to subscribe for 570,000,000 Shares have since been granted by the Company. Unless the existing Scheme Mandate Limit is refreshed, Options in respect of up to only 5,247,964 Shares, representing approximately 0.18% and 0.07% of the issued share capital of the Company as at the date of adoption of the Existing Share Option Scheme and as at the Latest Practicable Date respectively, may be issued under the Existing Share Option Scheme.

In this connection, the Directors consider that the Company should refresh the Scheme Mandate Limit so that the Company could have more flexibility to provide incentives to those Participants of the Existing Share Option Scheme to contribute to the success of the Group by way of granting Options to them. As at the Latest Practicable Date, the total number of Shares in issue was 7,095,259,642 Shares. Upon the refreshment of the Scheme Mandate Limit and assuming that the total number of Shares in issue remains unchanged prior to the date of the Annual General Meeting, the Company may grant options to participants under the existing Share Option Scheme and all other share option schemes of the Company to subscribe for a maximum of 709,525,964 Shares, being 10% of the Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit.

LETTER FROM THE BOARD

At the Annual General Meeting, an ordinary resolution will be proposed to the Shareholders to approve the refreshment of Scheme Mandate Limit so that the total number of Shares which may be issued upon exercise of all Options to be granted under the existing Share Option Scheme and all other share option schemes of the Company shall not exceed 709,525,964 Shares, representing 10% of the Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit by the Shareholders at the Annual General Meeting, assuming that the number of Shares in issue remains unchanged prior to the date of the Annual General Meeting.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of the necessary ordinary resolution at the Annual General Meeting; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Options that may be granted thereunder.

Application has been made to the Stock Exchange for granting the listing of and permission to deal in the Shares to be issued (representing 10% of the issued share capital of the Company as at the date of Annual General Meeting) pursuant to the refreshed Scheme Mandate Limit.

4. RE-ELECTION OF RETIRING DIRECTORS

According to Bye-laws 101, 110(A) and 190(v) of the Bye-laws, Messrs. Kwan Kin Chung, Wan Xiaolin, Chung Billy, Tang U Fai, Wang Tiao Chun and Joseph Lee Chennault shall retire from office by rotation at the Annual General Meeting, and being eligible, offer themselves, with exception of Mr. Wang Tiao Chun for re-election. Details of Messrs. Kwan Kin Chung, Wan Xiaolin, Chung Billy, Tang U Fai and Joseph Lee Chennault which are required to be disclosed by the Listing Rules are set out in the Appendix III to this circular.

5. PROPOSED AMENDMENTS TO THE BYE-LAWS

Based on the advices of the auditors of the Company and to enhance good corporate governance practices, the Directors propose to seek approval from the Shareholders at the Annual General Meeting to amend the Bye-laws, inter alia, the proposed establishment of the Corporate Governance Committee.

Under the existing Bye-laws prior to the proposed amendments, there is no restriction on the maximum number of Directors may be appointed and resolutions of the Board are to be passed by way of simple majority.

Upon the implementation of the proposed amendments of the Bye-laws as set out in the notice of Annual General Meeting, the maximum number of the Directors will be capped at thirteen and the exercise of the power of the Board regarding the management of the Company shall require approval by a majority of at least 55% of votes of the Directors. A Corporate Governance Committee will also be established to review and give guidance on corporate governance matters and material transactions to be entered into by the Company.

LETTER FROM THE BOARD

Details relating to the proposed amendments to the Bye-laws are set out in the notice of Annual General Meeting. The proposed amendments to the Bye-laws are subject to the passing of the special resolution by the Shareholders approving the proposed amendments at the Annual General Meeting.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 17 to 24 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate, the refreshment of the existing Scheme Mandate Limit and the proposed amendments to the Bye-laws.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the principal place of business of the Company, at Units 610C, 612-613, Level 6, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

7. RECOMMENDATION

The Directors consider that the granting of the Buyback Mandate, the granting/extension of the Issuance Mandate, the refreshment of the existing Scheme Mandate Limit, the re-election of retiring Directors and the proposed amendments to the Bye-laws are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate), Appendix II (Procedure by which the Shareholders may demand a poll at a general meeting pursuant to the Bye-laws) and Appendix III (Details of the Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
For and on behalf of
CULTURECOM HOLDINGS LIMITED
Cheung Wai Tung
Chairman

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buyback Mandate.

1. REASONS FOR BUYBACK OF SECURITIES

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases of securities of the Company may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARES AND WARRANTS

As at the Latest Practicable Date, the issued share capital of the Company comprised 7,095,259,642 Shares and the Warrants outstanding at such date carried with them a total subscription rights of HK\$157,320,000 which was equivalent to the aggregate subscription price for a total of 1,140,000,000 Shares on the basis of the subscription price being HK\$0.138 per Share.

Subject to the passing of the ordinary resolution no. 10 set out in the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that no Shares or Warrants are issued or repurchased by the Company prior to the date of the Annual General Meeting, the Directors would be authorised under the Buyback Mandate to repurchase a maximum of 709,525,964 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date) and Warrants carrying with them total subscription rights of up to HK\$15,732,000 (representing 10% of the aggregate subscription rights attaching to the Warrants outstanding as at the Latest Practicable Date) during the period in which the Buyback Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares and Warrants, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-laws, the laws of Bermuda, the relevant instrument creating the Warrants and/or any other applicable laws.

The Company is empowered by its memorandum of association, the Bye-laws and the relevant instrument creating the Warrants to repurchase Shares and Warrants. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company before the shares are repurchased.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2008) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, each of Mr. Liao Chang Yuan, Mr. Dizon Basilio and Ms. Chow Lai Wah Livia was respectively deemed to be interested in 1,000,000,000 Shares, 1,562,764,000 Shares and 730,540,000 Shares, representing approximately 14.09%, 22.03% and 10.30% of the Shares issued by the Company respectively. In the event that the Directors exercise in full the power to repurchase Shares of the Company in accordance with the Buyback Mandate, the shareholding of Mr. Liao Chang Yuan, Mr. Dizon Basilio and Ms. Chow Lai Wah Livia in the Company will be increased to approximately 15.66%, 24.47% and 11.44% respectively of the issued share capital of the Company. In the opinion of the Directors, such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares and Warrants pursuant to the Buyback Mandate in accordance with the Listing Rules and the laws of Bermuda.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

7. MARKET PRICES OF SHARES AND WARRANTS

The highest and lowest prices per Share and Warrant at which the Shares and Warrants have traded on the Stock Exchange during each of the previous 12 months and up to the Latest Practicable Date were as follows:

Month	Shares		Warrants	
	Highest	Lowest	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
2007				
August	0.290	0.144	–	–
September	0.192	0.170	–	–
October	0.178	0.122	–	–
November	0.221	0.148	–	–
December	0.190	0.155	–	–
2008				
January	0.175	0.116	0.097	0.041
February	0.160	0.123	0.062	0.050
March	0.154	0.120	0.053	0.042
April	0.144	0.124	0.055	0.033
May	0.142	0.126	0.060	0.036
June	0.127	0.076	0.048	0.030
July	0.098	0.076	0.038	0.029
August (up to the Latest Practicable Date)	0.089	0.077	0.039	0.024

Note: Warrants commenced trading on 7 January 2008.

8. REPURCHASES OF SHARES AND WARRANTS MADE BY THE COMPANY

No repurchase of Shares or Warrants has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

**APPENDIX II PROCEDURE BY WHICH THE SHAREHOLDERS MAY
DEMAND A POLL AT A GENERAL MEETING
PURSUANT TO THE BYE-LAWS**

The following paragraphs set out the procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the Current Bye-laws.

According to Bye-law 78 of the Bye-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

In addition, if the aggregate proxies held by (i) the Chairman of a particular meeting, and/or (ii) the Directors, account for 5% or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies, the Chairman of the meeting and/or any Director holding proxies as aforesaid shall demand a poll, unless it is apparent to the Chairman from the total proxies held by those persons that a vote taken on a poll will not reverse the vote taken on a show of hands.

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Bye-laws and will be proposed to be re-elected at the Annual General Meeting are provided below.

Mr. Kwan Kin Chung, aged 39, an executive Director and Managing Director

Experience and Length of service

Mr. Kwan Kin Chung was appointed as Executive Director and Managing Director of the Company on 6 March 2008. He was appointed as Acting Chief Executive Officer of the Company in April 2007. Mr. Kwan held the position as Vice President of the Group from 1998 to 2002. He is a managing director of China Bio Cassava Holdings Limited, whose shares are listed on the Growth Enterprise Market of the Stock Exchange. He has extensive experience in business restructuring and corporate investment. Mr. Kwan holds a Bachelor of Arts in Economics from Zhongshan University, Guangzhou, the PRC.

Positions held with the Company and other members of the Company's group

Save as disclosed above, Mr. Kwan does not hold any other position with the Company and other members of the Company's group.

Other directorships held in listed public companies

Save as disclosed above, Mr. Kwan has not held any other directorships in other listed public companies in the last three years.

Relationships

Other than being the former director of Harvest Smart Overseas Limited (a substantial shareholders of the Company) and the relationship arising from his being an executive Director and Managing Director, Mr. Kwan Kin Chung does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in securities

As at the Latest Practicable Date, Mr. Kwan Kin Chung was interested in 17,000,000 Options within the meaning of Part XV of the SFO.

Director's emoluments

There is no service contract entered between the Company and Mr. Kwan Kin Chung. Mr. Kwan has not received any emoluments from the Company for the financial year ended 31 March 2008.

Matters that need to be brought to the attention of the Shareholders and the holders of Warrants

There are no other matters that need to be brought to the attention of the Shareholders and the holders of Warrants. There are no other matters that is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Wan Xiaolin, aged 50, an executive Director

Experience and Length of service

Mr. Wan Xiaolin was appointed as an executive Director in July 2002 and is responsible for the group administration, human resources and training, finance and accounting and information technology related management activities. He is also a director of a number of subsidiaries of the Company. Mr. Wan holds a Bachelor of Arts in Economics from Shanghai Maritime University, Shanghai, the PRC. Prior to joining the Group, he was general manager of China Merchants Transportation Group for finance and accounting division. He is an executive director of China Bio Cassava Holdings Limited, whose shares are listed on Growth Enterprise Market of the Stock Exchange.

Positions held with the Company and other members of the Company's group

Save as disclosed above, Mr. Wan does not hold any other position with the Company and other members of the Company's group.

Other directorships held in listed public companies

Save as disclosed above, Mr. Wan has not held any other directorships in other listed public companies in the last three years.

Relationships

Other than the relationship arising from his being an executive Director, Mr. Wan Xiaolin does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in securities

As at the Latest Practicable Date, Mr. Wan Xiaolin was interested in 4,000,000 Options within the meaning of Part XV of the SFO.

Director's emoluments

There is no service contract between the Company and Mr. Wan Xiaolin. Mr. Wan is entitled to annual emolument of HK\$825,000 and is determined by reference to his duties and responsibilities with the Company.

Matters that need to be brought to the attention of the Shareholders and the holders of Warrants

There are no other matters that need to be brought to the attention of the Shareholders and the holders of Warrants. There are no other matters that is required to be disclosed to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Chung Billy, aged 33, an executive Director

Experience and Length of service

Mr. Chung Billy was appointed as an independent non-executive Director on 18 June 2007. He has been re-designated as executive Director on 5 November 2007 and later became the Chief Operating Officer of the Company, responsible for the Group's administration, human resources and accounting/finance related management activities. Mr. Chung holds a Bachelor of Arts degree in Accounting from the University of Waterloo and a MBA from the University of Toronto in Canada. As a member of the Canadian Institute of Chartered Accountants, he has over eight years of extensive experience in the fields of accounting, consulting, and investment banking. Mr. Chung is also an associate member of the Hong Kong Institute of Certified Public Accountant and prior to joining the Group, he acted as Senior Project Director at Opes Asia Development Limited, whose shares are list on the Main Board of the Stock Exchange.

Positions held with the Company and other members of the Company's group

Save as disclosed above, Mr. Chung does not hold any other position with the Company and other members of the Company's group.

Other directorships held in listed public companies

Save as disclosed above, Mr. Chung has not held any other directorships in other listed public companies in the last three years.

Relationships

Other than the relationship arising from his being an executive Director, Mr. Chung Billy does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in securities

As at the Latest Practicable Date, Mr. Chung Billy did not have interests in the Shares of the Company within the meaning of Part XV of the SFO.

Director's emoluments

There is no service contract between the Company and Mr. Chung Billy. Mr. Chung is entitled to annual emolument of HK\$744,000 and is determined by reference to his duties and responsibilities with the Company.

Matters that need to be brought to the attention of the Shareholders and the holders of Warrants

There are no other matters that need to be brought to the attention of the Shareholders and the holders of Warrants. There are no other matters that is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Tang U Fai, aged 34, an executive Director

Experience and Length of service

Mr. Tang U Fai was appointed as executive Director of the Company on 6 March 2008. He holds a Bachelor of Science degree in Computer Science and Economics from the University of Victoria and a Master of Science degree in Software Engineering from the University of Macau. Mr. Tang joined the Group as Chief Technology Officer in May 2001. In 2003, he was further appointed as the General Manager of 網城在綫(澳門)有限公司 where he was gained extensive executive experience.

Positions held with the Company and other members of the Company's group

Save as disclosed above, Mr. Tang does not hold any other position with the Company and other members of the Company's group.

Other directorships held in listed public companies

Save as disclosed above, Mr. Tang has not held any other directorships in other listed public companies in the last three years.

Relationships

Other than the relationship arising from his being an executive Director, Mr. Tang U Fai does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in securities

As at the Latest Practicable Date, Mr. Tang U Fai was interested in 19,000,000 Options within the meaning of Part XV of the SFO.

Director's emoluments

There is no service contract between the Company and Mr. Tang U Fai. Mr. Tang is entitled to annual emolument of MOP324,000 and is determined by reference to his duties and responsibilities with the Company.

Matters that need to be brought to the attention of the Shareholders and the holders of Warrants

There are no other matters that need to be brought to the attention of the Shareholders and the holders of Warrants. There are no other matters that is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Joseph Lee Chennault, aged 64, an independent non-executive Director*Experience and Length of service*

Mr. Joseph Lee Chennault was appointed as an independent non-executive Director of the Company in September 2004. Mr. Chennault holds a Bachelor of Arts in Economics from University of San Francisco and MBA from Golden Gate University. He is a member of California Society of Certified Public Accountants and has over 30 years of experience in accounting and auditing.

Positions held with the Company and other members of the Company's group

Save as disclosed above, Mr. Chennault does not hold any other position with the Company and other members of the Company's group.

Other directorships held in listed public companies

Save as disclosed above, Mr. Chennault has not held any other directorships in other listed public companies in the last three years.

Relationships

Other than the relationship arising from his being an executive Director, Mr. Chennault does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in securities

As at the Latest Practicable Date, Mr. Chennault did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Director's emoluments

There is no service contract between the Company and Mr. Chennault. Mr. Chennault is entitled to annual emolument of HK\$240,000 and is determined by reference to his duties and responsibilities with the Company.

Matters that need to be brought to the attention of the Shareholders and the holders of Warrants

There are no other matters that need to be brought to the attention of the Shareholders and the holders of Warrants. There are no other matters that is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

NOTICE OF THE ANNUAL GENERAL MEETING



CULTURECOM HOLDINGS LIMITED

文化傳信集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 343)

(Warrant Code: 453)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Culturecom Holdings Limited (the “Company”) will be held at Function Room – 6/F Tin Hau, L’ hotel Causeway Bay Harbour View Hong Kong, 18-24 King’s Road, Causeway Bay, Hong Kong on Tuesday, 9 September 2008 at 10:30 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 March 2008.
2. To confirm, ratify and approve the payment of Directors’ fee to Directors for the year ended 31 March 2008.
3. To re-elect Mr. Kwan Kin Chung as Director.
4. To re-elect Mr. Wan Xiaolin as Director.
5. To re-elect Mr. Chung Billy as Director.
6. To re-elect Mr. Tang U Fai as Director.
7. To re-elect Mr. Joseph Lee Chennault as Director.
8. To fix the maximum number of Directors at thirteen for the time being, to authorize the Board of Directors to appoint additional Directors up to such maximum number and to authorise the Board of Directors to fix their remuneration.
9. To re-appoint Grant Thornton as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

* for identification purpose only

NOTICE OF THE ANNUAL GENERAL MEETING

10. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its securities, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly;
- (c) the total amount of subscription rights attached to the warrants of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total amount of subscription rights attached to such warrants outstanding on the date of passing of this resolution and the said approval 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (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.”.

11. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) the exercise of the subscription rights attaching to the warrants issued by the Company;
 - (ii) a Rights Issue (as defined below);
 - (iii) the exercise of options under a share option scheme of the Company; and
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
- (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;

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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 any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”.

NOTICE OF THE ANNUAL GENERAL MEETING

12. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon the passing of resolutions nos. 10 and 11 set out in the notice convening this meeting, the general mandate referred to in resolution no. 11 above be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution no. 10 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”; and

13. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options to granted under the Refreshed Limit (as defined below) pursuant to the share option scheme (“Share Option Scheme”) of the Company adopted by the resolution of the shareholders of the Company passed on 21 August 2002 and any other schemes of the Company, the existing scheme mandate limit under the Share Option Scheme be refreshed so that the aggregate nominal amount of share capital of the Company to be allotted and issued pursuant to the exercise of any options to be granted under the Share Option Scheme and any other schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme and any other schemes of the Company) shall not exceed 10% of the aggregate nominal amount of the shares capital of the Company in issue as at the date of the passing of this resolution (“Refreshed Limit”) and that the Directors of the Company be and are hereby authorised to grant options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”.

14. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the bye-laws of the Company (the ‘**Bye-laws**’) be and are hereby amended in the following manner:

- (a) Bye-law 99

By deleting existing Bye-law 99 in its entirety and substituting therefor with the following new Bye-law 99:

“99. Subject to Bye-law 112, the number of the Directors shall not be less than two and no more than thirteen. The Board shall cause to be kept at its registered office a register of the Directors and Officers in accordance with the Statutes.”

NOTICE OF THE ANNUAL GENERAL MEETING

(b) Bye-law 108

By deleting existing Bye-law 108(A)(vi) in its entirety and renumbering existing Bye-laws 108(A)(vii) and 108(A)(viii) as Bye-laws 108(A)(vi) and 108(A)(vii) respectively.

(c) Bye-laws 122A and 122B

By inserting the following new Bye-laws 122A and 122B immediately following the existing Bye-law 122:

“122A. Notwithstanding Bye-law 134, the exercise of the Board’s power pursuant to Bye-laws 117 and/or 118 above shall require approval by a majority of at least 55% of votes of all the Directors for the time being.

122B. Prior to effecting any and/or all transactions for and on behalf of the Company pursuant to the exercise of Board’s power under Bye-laws 117 and/or 118 above, the Board is and shall be obliged to consult the Corporate Governance Committee and give due weight to the opinion of the Corporate Governance Committee as to the propriety, feasibility and prudence of entering into such transactions.”

(d) Bye-law 123

By inserting the following sentence at the end of existing Bye-law 123:

“Notwithstanding Bye-law 134, the aforesaid is subject to the condition that the election to the offices of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director and/or such other office in the management of the business of the Company shall require a majority of at least 55% of votes of all the Directors for the time being.”

(e) Bye laws 127A and 127B

By inserting the following new Bye-laws 127A and 127B immediately following the existing Bye-law 127:

“127A. Notwithstanding Bye-law 134, the exercise of the Board’s power pursuant to Bye-law 127 above shall require approval by a majority of at least 55% of votes of all the Directors for the time being.”

127B. Prior to effecting any and/or all transactions for and on behalf of the Company pursuant to the exercise of Board’s power under Bye-law 127, the Board is and shall be obliged to consult the Corporate Governance Committee and give due weight to the opinion of the Corporate Governance Committee as to the propriety, feasibility and prudence of entering into such transactions.”

NOTICE OF THE ANNUAL GENERAL MEETING

(f) Bye-law 128

By inserting the following sentence at the end of existing Bye-law 128:

“Notwithstanding Bye-law 134, the aforesaid is subject to the condition that the appointment of general manager, manager and/or such other managers of the business of the Company shall require at least 55% majority of the votes of all the Directors for the time being.”

(g) Bye-law 131A

By adding the following new Bye-laws 131A immediately following the existing Bye-law 131:

131A. Notwithstanding Bye-law 134, the aforesaid Bye-laws 131 are subject to the condition that the election and/or appointment and/or removal of the Chairman and/or Deputy Chairman shall require at least 55% majority of the votes of all the Directors for the time being.”

(h) Bye-laws 134 and 134A

(i) By deleting existing Bye-law 134 in its entirety and substituting therefor with the following new Bye-law 134:-

“134. Subject to specific voting requirements as provided for in these Bye-laws, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall not have any second or casting vote.”

(ii) By adding the following new Bye-law 134A immediately following Bye-law 134:

“134A. Notwithstanding Bye-law 134 and without prejudice to the other rights of the Board, where the Board had resolved, by a 55% majority of votes of all the Directors for the time being to convene a special general meeting of the Company, the Board shall have the power to restrict the Company from dealing with and/or disposing of its assets and/or any money and assets in the Company’s bank accounts until such special general meeting has been held.”

NOTICE OF THE ANNUAL GENERAL MEETING

(i) Bye-law 141

By adding the following new Bye-law 141A immediately following the existing Bye-law 141:

“141A.

- (i) Subject to Bye-laws 136, 137, 138 and 149, the Board shall establish a Committee of the Board known as the Corporate Governance Committee.
- (ii) Notwithstanding Bye-law 134, the Committee shall be appointed by the Board by way of a minimum of 55% majority votes of all the Directors for the time being and shall consist of four members, three of whom shall be appointed from amongst the members of the Board, one of whom should be an independent person outside of the Board. The minimum quorum of the Corporate Governance Committee shall be three members.
- (iii) The Chairman of the Committee shall be appointed by all the Directors for the time being.
- (iv) The Board shall be obliged and required to consult the Corporate Governance Committee and give due weight to the opinion of the Corporate Governance Committee on any and/or all transactions entered into for and on behalf of the Company by the Board, including but not limited to those transactions entered into pursuant to Bye-laws 122, 122A, 122B, 127, 127A, and 127B above.
- (v) In addition to the provisions set out in Bye-law 141A(i), (ii), (iii), and (iv) above, a terms of reference of the Corporate Governance Committee setting out further provisions regulating the Corporate Governance Committee shall be determined by the Board, from time to time, at its discretion.”

(j) Bye-law 147

By inserting the following sentence at the end of existing Bye-law 147:

“Notwithstanding Bye-law 134, the aforesaid is subject to the condition that the opening of the Company’s any banking account(s) and/or the changing of the Company’s authorized signatory(ies) of any banking account(s) from the existing template shall require a majority of at least 55% of votes of all the Directors for the time being.”

On behalf of the Board
CULTURECOM HOLDINGS LIMITED
Cheung Wai Tung
Chairman

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) To be valid, this form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the head office and principal place of business of the Company at Units 610C, 612-613, Level 6, Core D, Cyberport 3, 100 Cyberport 3, Hong Kong not less than 48 hours before the time of the meeting or any adjourned meeting.
- (3) The principal register of members and branch registers of members and warrant holders of the Company will be closed from 3 September 2008 to 9 September 2008, both days inclusive.