



CULTURECOM HOLDINGS LIMITED

文化傳信集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 343)

(Warrant Code: 2306)

(the "Company")

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

The Directors intend to put forward to the Shareholders a proposal to amend the Current Bye-laws in order to ensure compliance with the amended provisions of the Listing Rules that came into effect on 31st March, 2004 and in order to make certain changes which the Directors consider appropriate.

The proposed amendments to the Current Bye-laws are subject to the approval of the Shareholders by way of passing a special resolution to be proposed at the Annual General Meeting. A circular containing, inter alia, information on the proposed amendments to the Current Bye-laws and a notice convening the Annual General Meeting will be dispatched to the Shareholders as soon as practicable.

PROPOSED AMENDMENTS TO THE CURRENT BYE-LAWS

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has announced amendments to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") which include, among other things, amendments to Appendix 3 of the Listing Rules that came into effect on 31st March, 2004. Such amendments to Appendix 3 of the Listing Rules require a listed issuer's articles of association/bye-laws to conform with certain provisions. The directors of the Company (the "Directors") therefore propose to amend the current bye-laws adopted by the Company on 15th June, 1993 (the "Current Bye-laws") to ensure compliance with the amended provisions of the Listing Rules in the following aspects:

- (i) Bye-law 85 of the Current Bye-laws shall be amended to the effect that where the Company has knowledge that any shareholder of the Company (the "Shareholder") is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;
- (ii) Bye-laws 109(B)(ii) and (iii) of the Current Bye-laws shall be amended to the effect that a Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates (as defined in the Listing Rules) has a material interest nor shall he be counted in the quorum present at such board meeting (subject to certain exceptions acceptable to the Stock Exchange); and
- (iii) Bye-law 115 of the Current Bye-laws shall be amended to the effect that the minimum length of the period during which the notice to the Company of the intention to propose a person for election as a Director and during which the notice to the Company by such person of his willingness to be elected are given shall be at least 7 days and that the period for lodgement of the aforesaid notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

With the repeal of the Securities and Futures (Clearing Houses) Ordinance and the enactment of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong on 1st April, 2003, it is also proposed that the definition of "Clearing House" under Bye-law 1 of the Current Bye-laws shall be amended such that its reference to the Securities and Futures (Clearing Houses) Ordinance shall be deleted. Moreover, Bye-laws 3 and 66(A)(v) of the Current Bye-laws shall also be amended in order to comply with the Listing Rules.

GENERAL

The proposed amendments to the Current Bye-laws as detailed above are subject to the approval of the Shareholders by way of passing a special resolution to be proposed at the annual general meeting of the Company to be held on Tuesday, 24th August, 2004 (the "Annual General Meeting"). A circular containing, inter alia, information on the above proposed amendments to the Current Bye-laws together with a notice convening the Annual General Meeting will be dispatched to the Shareholders as soon as practicable.

As at the date of this announcement, the Board comprises Mr. Cheung Wai Tung, Mr. Chu Bong Foo, Mr. Cheung Kam Shing, Terry, Mr. Henry Chang Manayan and Mr. Wan Xiaolin as the executive directors of the Company and Mr. Lai Man To, Mr. Wang Tiao Chun and Ms. Juliet Wu as the independent non-executive directors of the Company.

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

Hong Kong, 29th July, 2004

* *for identification purpose only*

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Culturecom Holdings Limited (the "Company") will be held at The Penthouse, Culturecom Centre, 47 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Tuesday, 24th August, 2004 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 31st March, 2004.
2. To confirm, ratify and approve the payment of Directors' fee to Directors for the year ended 31st March, 2004.
3. To re-elect the retiring Directors.
4. To fix the maximum number of Directors at twenty for the time being, to authorise the Board of Directors to appoint additional Directors up to such maximum number and to authorise the Board of Directors to fix their remuneration.
5. To re-appoint Deloitte Touche Tohmatsu 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.
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:
"THAT the authorised share capital of the Company be increased from HK\$400,000,000 to HK\$600,000,000 by the creation of an additional 2,000,000,000 Shares of HK\$0.10 each."
7. 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 (the "Bye-laws") of the Company be and are hereby amended in the following manner:

(a) Bye-law 1

- (i) By inserting the definition of "associate" immediately after the definition of "Clearing House" as follows:

"associate" shall have the meaning attributed to it in the rules for the time being governing the listing of securities of The Stock Exchange of Hong Kong Limited.

- (ii) By deleting the words "a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong), or" in the definition of "Clearing House";

(b) Bye-law 3

- (i) By re-numbering the existing Bye-laws 3.(A), (B) and (C) as new Bye-laws 3.(B), (C) and (D) respectively and inserting the following new Bye-law 3.(A) prior to the new Bye-law 3.(B):

"3.(A) The authorised share capital of the Company at the date of the holding of its annual general meeting in the year 2004 is HK\$600,000,000 divided into 6,000,000,000 shares of HK\$0.10 each.";

(ii) By inserting the words “and where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all members alike.” immediately after the last word of the new Bye-law 3.(B);

(c) Bye-law 38

By deleting the word “only” at the end of Bye-law 38 and substituting therefor the words “or by means of mechanically imprinted signatures”;

(d) Bye-law 66(A)(v)

By inserting the words “, and in such case, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”” immediately after the word “rights” in Bye-law 66(A)(v);

(e) Bye-law 85

By re-numbering the existing Bye-law 85 as Bye-law 85. (A) and inserting the following new Bye-law 85. (B) immediately after the new Bye-law 85. (A):

“85.(B) Where the Company has knowledge that any member is, under the rules of a stock exchange in Hong Kong, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”;

(f) Bye-laws 109(B)(ii) and (iii)

By deleting the existing Bye-laws 109(B)(ii) and (iii) in its entirety and substituting therefor the following new Bye-laws 109(B)(ii) and (iii):

“109.(B)(ii) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for that resolution) but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights; and
- (vi) any proposal concerning the adoption, modification, or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.

- (iii) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman and any of the other directors present who are materially interested in the contract or arrangement in question shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

(g) Bye-law 115

By deleting the existing Bye-law 115 in its entirety and substituting therefor the following new Bye-law 115:

“115. No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a member (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the head office or at the Registration Office. The minimum length of the period during which such notices are given shall be at least seven days and the period for lodgement of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.”.

8. 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 shares and warrants, 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 subscription rights attached to the warrants of the Company to be purchased pursuant to such approval shall not exceed 10% of the total subscription rights attached to the warrants outstanding on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) 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.”.

9. 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;
- (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).”.

10. 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. 8 and 9 set out in the notice convening this meeting, the general mandate referred to in resolution no. 9 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. 8 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

11. 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 21st 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.”.

On behalf of the Board
Culturecom Holdings Limited
Cheung Wai Tung
Chairman

Hong Kong, 29th July, 2004

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 The Penthouse, Culturecom Centre, 47 Hung To Road, Kowloon, Hong Kong not later 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 18th August, 2004 to 24th August, 2004, both days inclusive.

Please also refer to the published version of this announcement in *The Standard*.