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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: 824)

DISCLOSEABLE TRANSACTION DISPOSAL OF 100% EQUITY INTEREST OF RAISE BEAUTY

On 6 February 2013, Success Dynasty entered into the Sale and Purchase Agreement with the Purchaser in relation to the disposal of 100% equity interest of Raise Beauty at the consideration of RMB80,000,000 or its equivalent in HK\$.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties. As one or more of the applicable percentage ratios of the Disposal under the Listing Rules exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

INTRODUCTION

On 6 February 2013, Success Dynasty entered into the Sale and Purchase Agreement with the Purchaser in relation to the disposal of 100% equity interest of Raise Beauty at the consideration of RMB80,000,000 or its equivalent in HK\$.

THE SALE AND PURCHASE AGREEMENT

Date: 6 February 2013 (after trading hours)

Parties: (1) Success Dynasty, as the vendor
(2) the Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

ASSETS TO BE DISPOSED OF

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire and Success Dynasty has agreed to sell 100% equity interest of Raise Beauty, which holds 100% interest in the registered and paid up capital of Keenwell Energy. Dong Ying was owned as to 94.87% by Raise Beauty and 5.13% by Keenwell Energy. According to the business license of Dong Ying, it is permitted to engage in energy savings projects, petroleum extraction facilities environmental-friendly projects, offshore drilling platform maintenance projects and the provision of petroleum technology related services.

CONSIDERATION

The Consideration of RMB80,000,000 or its equivalent in HK\$ is payable by the Purchaser in cash as follows:

- (1) RMB32,000,000 or its equivalent in HK\$ being paid upon the signing of the Sale and Purchase Agreement upon which 40% equity interest of Raise Beauty shall be transferred to the Purchaser; and
- (2) the balance of the Consideration of RMB48,000,000 or its equivalent in HK\$ being paid within four months upon the receipt of RMB32,000,000 or its equivalent in HK\$ by Success Dynasty upon which 60% equity interest of Raise Beauty shall be transferred to the Purchaser.

The Consideration was arrived at after arm's length negotiations between Success Dynasty and the Purchaser with reference to, among other things, (i) the existing performance and production of the Disposal Group; (ii) the business prospects of the Disposal Group; (iii) the potentially recoverable resources of the Disposal Group. The Directors consider that the Consideration of the Disposal is fair and reasonable and is in the interests of the Group and the shareholders of the Company as a whole.

COMPLETION

Subject to the satisfaction of the terms and conditions of the Sale and Purchase Agreement, Completion shall take place on the Completion Date.

Upon Completion, Raise Beauty will no longer be a wholly-owned subsidiary of the Company and its operating results will not be consolidated into the Company's consolidated financial statements from the Completion Date.

INFORMATION ON THE COMPANY

The Company is principally engaged in publishing, investment holding, exploration of crude oil services, Chinese information infrastructure and online, social music gaming platform, electronic card service, retailing and wholesales and catering business.

INFORMATION ON SUCCESS DYNASTY

Success Dynasty is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. Success Dynasty holds 100% of equity interest in the registered and paid-up capital of Raise Beauty.

INFORMATION ON RAISE BEAUTY

Raise Beauty is a company incorporated in the British Virgin Islands and is wholly and beneficially owned by Success Dynasty.

INFORMATION ON THE PURCHASER

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties. The Company has not entered into any transactions with the Purchaser in the past 12 months.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that it is in the interests of the Company and the Shareholders as a whole to allocate more resources in the development of its principle businesses. The Disposal represents a good opportunity for the Group to dispose the asset at a fair and reasonable price while the net proceeds from the Disposal would be able to support the continuous growth of the business of Group, thereby generating a higher return for the Group in the future.

The Directors consider that the Sale and Purchase Agreement is entered into under normal commercial terms following arm's length negotiations between Success Dynasty and the Purchaser and that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF THE PROCEEDS

The financial figures of Raise Beauty for the year ended 31 December 2011 and for the period ended 30 September 2012 prepared in accordance with the Hong Kong Generally Accepted Accounting Principles are summarised as follows:

	For the year ended 31 December 2011	For the period ended 30 September 2012
	(audited)	(unaudited)
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Profit/(Loss) before taxation	(4,075)	(5,246)
Profit/(Loss) after taxation	(4,086)	(5,247)

As at
30 September 2012
(unaudited)
(HK\$'000)

Net asset value 28,946

Upon Completion, it is estimated that, the Group will record a loss on Disposal of approximately HK\$52,994,000. Such loss is estimated based on the Consideration receivable from the Disposal, i.e. RMB80,000,000 (equivalent to approximately HK\$100,296,000 at the conversion rate of RMB1=HK\$1.25) less the exploration and production services right of approximately HK\$124,279,000, the net assets value of Raise Beauty as at 30 September 2012 of approximately HK\$28,946,000 and the estimated cost on Disposal of approximately HK\$65,000.

USE OF PROCEEDS

After deduction of expenses directly attributable thereto, the proceeds from the Disposal, are estimated to be approximately HK\$100,231,000. The Group intends to apply the net proceeds from the Disposal towards the working capital of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Culturecom Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Hong Kong Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date when the balance of the Consideration is paid to Success Dynasty
“Consideration”	has the meaning given to it in the section headed “Consideration” in this announcement

“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares subject to and upon the terms and conditions of the Sale and Purchase Agreement
“Disposal Group”	includes Raise Beauty, Keenwell Energy and Dong Ying
“Dong Ying”	東營健宏石油技術服務有限公司(transliterated as Dong Ying Jian Hong Petroleum Technology Services Limited), a company established in the PRC as a wholly foreign-owned enterprise, which is owned as to 94.87% by Raise Beauty and 5.13% by Keenwell Energy
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Parties”	any person who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Keenwell Energy”	Keenwell Energy Technology Limited (健宏能源科技有限公司), a company incorporated in Hong Kong, which is wholly and beneficially owned by Raise Beauty
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Waveon Holdings Limited (安濤控股有限公司), a company incorporated in the British Virgin Islands
“Raise Beauty”	Raise Beauty Investments Limited (美興投資有限公司), a company incorporated in the British Virgin Islands, which is wholly and beneficially owned by Success Dynasty

“Sale and Purchase Agreement”	the agreement for sale and purchase in respect of the disposal of 100% equity interest of Raise Beauty dated 6 February 2013 entered into between Success Dynasty and the Purchaser
“Sale Shares”	the entire equity interest of Raise Beauty
“Success Dynasty”	Success Dynasty Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

Conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1=HK\$1.25. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at such or any other rates or at all.

By order of the Board
Culturecom Holdings Limited
Chu Bong Foo
Chairman

Hong Kong, 6 February 2013

As at the date of this announcement, the Board comprises of Ms. Chow Lai Wah Livia (being Vice Chairman and Executive Director); Mr. Kwan Kin Chung, Mr. Chung Billy, Mr. Wan Xiaolin, Mr. Tang U Fai, Mr. Tang Kwing Chuen Kenneth and Mr. Chen Man Lung (all being Executive Directors); Mr. Chu Bong Foo (being the Chairman and Non-Executive Director) and Mr. Tsang Wai Wa, Mr. Joseph Lee Chennault, Mr. Lai Qiang and Ms. Ng Ying (all being Independent Non-Executive Directors).

* *for identification purpose only*