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DELAY IN COMPLETION OF THE ACQUISITION OF 90% OF THE REGISTERED CAPITAL OF SHANGHAI CHIKOU

Reference is made to the conditional agreement dated 11 January 2002 entered into between Rojam as purchaser, Chikou as vendor and Mr. Wu as warrantor for the sale and purchase of 90% of the registered capital of Shanghai Chikou, details of which were referred to in a press announcement by the Company dated 11 January 2002 and the circular of the Company dated 8 February 2002.

Pursuant to the terms of the Sale and Purchase Agreement, completion of the conditional agreement is subject to certain conditions being either fulfilled or waived by no later than the date falling six months after 11 January 2002 (or such later date as Rojam may agree).

Rojam has elected to extend the Long Stop Date (as defined below) till 30 September 2002.

Reference is made to the conditional agreement dated 11 January 2002 (the "Sale and Purchase Agreement") entered into between Rojam Investment Limited ("Rojam") as purchaser, Chikou Co., Ltd. ("Chikou") as vendor and Mr. Kebo Wu ("Mr. Wu") as warrantor for the acquisition of 90% of the registered capital of Shanghai Chikou Entertainment Co. Limited ("Shanghai Chikou"), details of which were referred to in a press announcement by Rojam Entertainment Holdings Limited (the "Company") dated 11 January 2002 (the "Announcement") and in the circular of the Company dated 8 February 2002.

Capitalised terms used herein shall have the same meanings as defined in the Announcement unless otherwise defined.

Subject to the Conditions and upon the terms set out in the Sale and Purchase Agreement, Chikou agreed to sell and Rojam agreed to buy the foreign equity interests of Shanghai Chikou which represent 90% of Shanghai Chikou's registered capital.

Under the Sale and Purchase Agreement, completion of the conditional agreement is subject to certain conditions being either fulfilled or waived by no later than the date falling six months after 11 January 2002 (the "Long Stop Date") (or such later date as Rojam may agree). The Conditions include, among others, the demerger of the entertainment related non discotheque businesses including karaoke parlours and game centers from Shanghai Chikou into a newly formed joint venture owned by the existing shareholders of Shanghai Chikou becoming effective and the obtaining of the Transfer Approvals from the relevant approving authority. To the best of the knowledge of the directors of the Company, as at the date of this announcement, the Demerger has been preliminarily approved by the relevant authorities and is pending registration. Upon registration of the Demerger, the relevant parties may then proceed with the procedures necessary to obtain the Transfer Approvals, which are expected to take around one month.

By a letter to both Chikou and Mr. Wu dated 11 July 2002, Rojam elected to extend the Long Stop Date till 30 September 2002.

Further, pursuant to the Sale and Purchase Agreement, Rojam also undertook to identify before Completion an appropriate partner in the PRC to acquire the PRC Equity Interests from the PRC Seller for HK\$3,500,000 and to act as a joint venture partner to Rojam in Shanghai Chikou. The PRC Seller has expressed interests in acting as Rojam's joint venture partner, and the details of the joint venture are under discussion between the PRC Seller and Rojam.

Pursuant to the lock-up agreement dated 11 January 2002 entered into between the Company, Billion Moment Limited ("Billion Moment"), being a company owned as to 90% by Mr. Wu and as to 10% by Ms. Cheng Wing Ki, Aouda ("Ms. Cheng", together with the Company and Billion Moment, the "Parties"), and Ms. Cheng, Billion Moment and Ms. Cheng agreed to deposit certificates representing their 75,883,333 shares and 5,306,000 shares respectively in the Company, and not to dispose of the same without the prior consent of the Company for a period of six months from 11 January 2002 (being the date of signing), and the Company agreed to use reasonable endeavours to seek one or more strategic investors to acquire such shares during that period (the "Period"). During the Period, the Company has been using reasonable endeavours to seek, but has yet to identify, one or more strategic investors to acquire the shares from Billion Moment and Ms. Cheng. On 11 July 2002, the Parties entered into a deed of variation to extend the Period till 30 September 2002.

The Company will issue a further announcement on further developments relating to the Completion as and when appropriate.

By Order of the Board
Rojam Entertainment Holdings Limited
Estuko Hoshiyama
Company Secretary

Hong Kong, 11 July 2002

This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from its date of publication and on the website of the Company at www.rojam.com.