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GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liabilities)

(Stock Code: 1132)

DISCLOSEABLE TRANSACTION – ACQUISITION OF APPROXIMATELY 66.66% SHAREHOLDING IN GLOBAL ENTERTAINMENT AND MANAGEMENT SYSTEMS SDN. BHD.

The Directors are pleased to announce that on 3 March, 2005, Golden Harvest Cinemas, a wholly-owned subsidiary of the Company, and PPB entered into the PPB Acquisition Agreement pursuant to which Golden Harvest Cinemas agreed to acquire from PPB the PPB Sale Shares (representing approximately 33.33% of the issued share capital of GEMS) and a related shareholder's loan. The consideration for the PPB Acquisition is RM4,289,424.31 (approximately HK\$8,804,043.40).

On 3 March, 2005, Golden Harvest Cinemas also entered into the Tanjong Acquisition Agreement with Tanjong pursuant to which Golden Harvest Cinemas agreed to acquire from Tanjong the Tanjong Sale Shares (representing approximately 33.33% of the issued share capital of GEMS) and a related shareholder's loan. The consideration for the Tanjong Acquisition is also RM4,289,424.31 (approximately HK\$8,804,043.40).

The consideration for each of the PPB Acquisition and the Tanjong Acquisition was determined after arm's length negotiations between the parties. The Directors consider that the terms of the Acquisitions are fair and reasonable so far as the shareholders of the Company are concerned.

The Acquisitions together constitute a discloseable transaction for the Company under the Listing Rules. A circular containing, among other things, further details of the Acquisitions will be despatched to the shareholders of the Company as soon as practicable.

A. PPB ACQUISITION AGREEMENT DATED 3 MARCH, 2005

1. Parties to the PPB Acquisition Agreement

Vendor: PPB

PPB is principally engaged in sugar cane cultivation and investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of PPB and its ultimate beneficial owners is a third party independent of the Company and not a connected person (as defined under the Listing Rules) of the Company.

Purchaser: Golden Harvest Cinemas (a wholly owned subsidiary of the Company)

2. Assets to be acquired

Pursuant to the PPB Acquisition Agreement, Golden Harvest Cinemas has agreed to acquire from PPB the PPB Sale Shares (representing approximately 33.33% of the issued share capital of GEMS) and a related shareholder's loan in the principal amount of RM3,457,000.00 (approximately HK\$7,095,492.50) as at the date of this announcement. The principal asset of GEMS is its 25% shareholding interest in TGV.

3. Consideration

The consideration payable by Golden Harvest Cinemas to PPB for the PPB Acquisition is RM4,289,424.31 (approximately HK\$8,804,043.40). Pursuant to the PPB Acquisition Agreement, the consideration for the PPB Acquisition will be satisfied in cash and is payable upon completion. The payment for the consideration will be funded by the Group's existing banking facility.

The consideration for the PPB Acquisition was determined after arm's length negotiations between the parties to the PPB Acquisition Agreement taking into account PPB's cost of investment of approximately RM3,560,998.00 (approximately HK\$7,308,948.40) (including the shareholder loan of approximately RM3,457,000.00 (approximately HK\$7,095,492.50) and its cost of capital of the aforesaid investment cost of approximately RM728,426.31 (approximately HK\$1,495,095.00). The Directors consider that the terms of the PPB Acquisition are fair and reasonable so far as the shareholders of the Company are concerned.

4. Completion

Completion of the PPB Acquisition will take place on the day falling no later than 14 days from the date of the PPB Acquisition Agreement or such other date as may be agreed by the parties.

B. TANJONG ACQUISITION AGREEMENT DATED 3 MARCH, 2005

1. Parties to the Tanjong Acquisition Agreement

Vendor: Tanjong

Tanjong is an investment holding company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Tanjong and its ultimate beneficial owners is a third party independent of the Company and not a connected person (as defined under the Listing Rules) of the Company.

Purchaser: Golden Harvest Cinemas (a wholly owned subsidiary of the Company)

2. Assets to be acquired

Pursuant to the Tanjong Acquisition Agreement, Golden Harvest Cinemas has agreed to acquire from Tanjong the Tanjong Sale Shares (representing approximately 33.33% of the issued share capital of GEMS) and a related shareholder' loan in the principal amount of RM3,457,000.00 (approximately HK\$7,095,492.50) as at the date of this announcement. The principal asset of GEMS is its 25% shareholding interest in TGV.

3. Consideration

The consideration payable by Golden Harvest Cinemas to Tanjong for the Tanjong Acquisition is RM4,289,424.31 (approximately HK\$8,804,043.40). Pursuant to the Tanjong Acquisition Agreement, the consideration for the Tanjong Acquisition will be satisfied in cash and is payable upon completion. The payment for the consideration will be funded by the Group's existing banking facility.

The consideration for the Tanjong Acquisition was determined after arm's length negotiations between the parties to the Tanjong Acquisition Agreement taking into account Tanjong's cost of investment of approximately RM3,560,998.00 (approximately HK\$7,308,948.40) (including the shareholder loan of approximately RM3,457,000.00 (approximately HK\$7,095,492.50) and its cost of capital of the aforesaid investment cost of approximately RM728,426.31 (approximately HK\$1,495,095.00). The Directors consider that the terms of the Tanjong Acquisition are fair and reasonable so far as the shareholders of the Company are concerned.

4. Completion

Completion of the Tanjong Acquisition will take place on the day falling no later than 14 days from the date of the Tanjong Acquisition Agreement or such other date as may be agreed by the parties.

C. REASONS FOR THE ACQUISITIONS

The principal activities of the Group consist of worldwide film and video distribution, film exhibition in Hong Kong, Malaysia, Singapore and the PRC, film financing and the operation of a film processing business in Hong Kong.

GEMS is an investment holding company. The principal asset of GEMS is its 25% shareholding interest in TGV, in which the Group through Golden Harvest Cinemas already holds a direct 25% shareholding. TGV is principally engaged in film exhibition in Malaysia. For the year ended 31 December 2003, GEMS recorded the audited consolidated net profits of RM86,451 (approximately HK\$177,440.68). GEMS recorded the unaudited consolidated net profits of RM1,850,106.86 (approximately HK\$3,797,344.33) for the year ended 31 December 2004. The unaudited consolidated net tangible assets of GEMS as at 31 December 2004 were RM4,758,561.14 (approximately HK\$9,766,946.74) (taking into account the shareholder's loan of RM10,382,997.00 (approximately HK\$21,311,101.34). The shareholders' loans due from GEMS to its shareholders amounted to RM10,382,997.00 approximately HK\$21,311,101.34) in aggregate as at 31 December 2004. The consideration of each of the PPB Acquisition and the Tanjong Acquisition represents a discount of approximately 15% to the share of the unaudited consolidated net tangible assets of GEMS as at 31 December 2004.

The Group currently holds approximately 33.33% shareholding interest in GEMS. By purchasing approximately an additional 33.33% shareholding interest in GEMS from each of PPB and Tanjong, the Acquisitions will enable the Group to consolidate its interests in GEMS so that it will become a wholly-owned subsidiary of the Group following completion of the Acquisitions. With the Group's existing direct 25% shareholding interest in TGV, the completion of Acquisitions will also result in the Group's aggregate shareholding interests in TGV increasing to 50%.

As stated in the 2004 annual report of the Company, the total cinema box office in Malaysia increased by 23% to RM139 million (approximately HK\$285,297,500) in 2004. TGV showed an 18% increase in reported cinema box office receipts to RM49.2 million (approximately HK\$100,983,000), partly due to the addition of two new screens. Taking into account the further growth prospects of TGV, the Directors are of the view that the Acquisitions should be able to bring additional cash flows and earnings to the Group, thereby improving its financial position.

D. LISTING RULES IMPLICATIONS

Under the Listing Rules, the Acquisitions together constitute a discloseable transaction for the Company. A circular containing, among other things, further details of the Acquisitions will be despatched to its shareholders as soon as practicable.

E. DEFINITIONS USED IN THIS ANNOUNCEMENT

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| “associate(s)” | has the meaning given to this term in the Listing Rules |
| “Acquisitions” | the PPB Acquisition and the Tanjong Acquisition |
| “Company” | Golden Harvest Entertainment (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange |
| “Directors” | the directors of the Company |
| “GEMS” | Global Entertainment and Management Systems Sdn. Bhd., a company incorporated in Malaysia, which is currently owned as to 33.33% by each of Golden Harvest Cinemas, PPB and Tanjong |
| “Golden Harvest Cinemas” | Golden Harvest Cinemas Holding Ltd., a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of the Company |
| “Group” | the Company and its subsidiaries |
| “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 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PPB” | PPB Group Bhd., a company incorporated in Malaysia |
| “PPB Acquisition” | the acquisition by Golden Harvest Cinemas of an approximately 33.33% shareholding interest in GEMS from PPB pursuant to the PPB Acquisition Agreement |
| “PPB Acquisition Agreement” | the agreement dated 3 March, 2005 entered into between Golden Harvest Cinemas and PPB in respect of the PPB Acquisition |
| “PPB Sale Shares” | 100,000 ordinary shares of RM1.00 each in the capital of GEMS |
| “RM” | Ringgit Malaysia, the lawful currency of Malaysia |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tanjong” | Tanjong Entertainment Sdn. Bhd., a company incorporated in Malaysia |
| “Tanjong Acquisition” | the acquisition by Golden Harvest Cinemas of an approximately 33.33% shareholding interest in GEMS from Tanjong pursuant to the Tanjong Acquisition Agreement |
| “Tanjong Acquisition Agreement” | the agreement dated 3 March, 2005 entered into between Golden Harvest Cinemas and Tanjong in respect of the Tanjong Acquisition |
| “Tanjong Sale Shares” | 100,000 ordinary shares of RM1.00 each in the capital of GEMS |
| “TGV” | TGV Cinemas Sdn. Bhd. (formerly known as Tanjong Golden Village Sdn. Bhd.), a company incorporated in Malaysia, which is owned as to 25% by GEMS, 25% by Golden Harvest Cinemas and 50% by Tanjong |

For the purpose of this announcement, translation of Ringgit Malaysia into Hong Kong dollars is made for illustration purposes only at the exchange rate of RM1.00 to HK\$2.0525.

List of all Directors of the Company as of the date of this announcement:

Executive Directors:

Mr. Raymond Chow Ting Hsing

Mr. Phoon Chiong Kit

Mr. David Chan Sik Hong

Mrs. Roberta Chin Chow Chung Hang

Mr. Lau Pak Keung (alternate director to Mr. Phoon Chiong Kit)

Non-executive Director:

Mr. Eric Norman Kronfeld

Independent non-executive Directors:

Mr. Frank Lin

Prince Chatrichalerm Yukol

Mr. Paul Ma Kah Woh

On behalf of the Board
Raymond Chow Ting Hsing
Chairman

Hong Kong, 7 March 2005

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