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Golden Harvest

GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

ANNOUNCEMENT

Preliminary Discussions Concerning a Possible Acquisition

The Company and its financial advisers have been in ongoing discussion about a possible acquisition of Warner Village Cinemas Co., Ltd. in Taiwan and are considering the possibility of raising new equity to fund such acquisition. Discussions are ongoing and the transactions may or may not proceed. Shareholders and potential investors in the Company should exercise caution in dealing in shares of the Company.

This announcement is made by the directors ("Directors") of Golden Harvest Entertainment (Holdings) Limited ("Company") pursuant to the Company's general disclosure obligations under paragraph 2 of the Listing Agreement made between the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") and in response to an article which appeared in the press today (the "Article"). The Article contained references to a proposed acquisition by the Company, funded by a share placing, to acquire Warner Village Cinemas Co., Ltd. (the "Target Company"), which operates a network of cinemas in Taiwan, from its two shareholders which are a Warner Brothers group company and a Village Roadshow group company.

The Directors wish to state that the Company and its financial advisers have been in discussion with the two shareholders of the Target Company, who are independent third parties who are unrelated to any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates (as the term is defined in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules")), and who are not "connected persons" of the Company for Listing Rules purposes, in relation to a possible acquisition by the Company of their combined 100% shareholding in Warner Village Cinemas Co., Ltd., which operates and is developing a total of over 80 screens at 8 sites in Taiwan, where the Directors have been informed that the existing screens operated by this company account for some 35% of total box office receipts in Taiwan in 2003. The discussions are ongoing and no binding agreement of whatever nature has been signed.

The Company and its subsidiaries and associated companies currently operate 211 screens in 37 cinemas in Hong Kong, Mainland China, Singapore (accounting for 43.5% of total box office receipts in Singapore in the year ended 30 June 2003) and Malaysia (accounting for a combined 82% of total box office receipts in Malaysia in the year ended 30 June 2003). If the above acquisition proceeds, the cinema network under the Golden Harvest brand will extend to Taiwan which is an important market for Chinese language movies as well as English language ones. The addition of a substantial cinema operation in Taiwan would greatly enhance the Group's overall position as a major film distributor and cinema operator in Southeast Asia.

To finance the proposed acquisition if it proceeds, the Company and its financial advisers have also been considering the possibility of raising new equity financing by the issue of new shares by the Company. Again this proposal is preliminary in nature and no definite plan has been formulated by the Company at this stage.

The possible acquisition and/or new share issue described above may or may not proceed and the Directors wish to remind shareholders of and potential investors in the Company to exercise caution in dealing in shares of the Company. The Company will comply with the requirements of the Listing Rules should the above described acquisition proceed.

Further announcement(s) will be made as and when required or appropriate if there are material developments to the discussions concerning the possible transactions.

By Order of the Board
Raymond Chow Ting Hsing
Chairman

Hong Kong, 19 January, 2004