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Golden Harvest

## **GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1132)

### **PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY FOUR EXISTING SHARES HELD BY QUALIFYING SHAREHOLDERS AND SUSPENSION AND RESUMPTION OF TRADING**

Underwriter



**FB Gemini Capital Limited**

The Company proposes to raise, before expenses, not less than approximately HK\$65.0 million through the issue of not less than 259,821,875 Rights Shares and not more than approximately HK\$66.2 million through the issue of not more than 264,846,875 Rights Shares by way of a rights issue at a price of HK\$0.250 per Rights Share on the basis of one Rights Share for every four existing Shares held on the Record Date. The Company will provisionally allot to the Qualifying Shareholders one Rights Share in nil-paid form for every four existing Shares held on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company. The Rights Issue will not be available to Excluded Shareholders.

The net proceeds of the Rights Issue is estimated to amount to not less than approximately HK\$62.0 million. The Company intends to use the net proceeds from the Rights Issue for the purpose of financing in part the Acquisition, provided that if the Company does not proceed with the Acquisition for any reason, the Company intends to use the net proceeds for investment purposes if suitable opportunities arise, and for general working capital purposes.

**The Rights Issue is subject to the satisfaction of certain conditions mentioned in the paragraph headed "Conditions of the Underwriting Agreement" and FB Gemini not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed "Termination of the Underwriting Agreement"). If the conditions are not fulfilled, the Rights Issue may or may not proceed.**

The Rights Shares have been fully underwritten by FB Gemini on the terms and subject to the conditions set out in the Underwriting Agreement, comprising not less than 259,821,875 Rights Shares and not more than 264,846,875 Rights Shares.

The last day of dealings in the Shares on a cum-rights basis is expected to be Wednesday, 15 December 2004 and it is expected that existing Shares will be dealt with on an ex-rights basis from Thursday, 16 December 2004. To qualify for the Rights Issue, a Shareholder must not be an Excluded Shareholder. In order to be registered as a member of the Company on the Record Date, any transfer of Shares must be lodged for registration with the Company's branch share registrar in Hong Kong, Tengis Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by 4:00 p.m. on Friday, 17 December 2004. The Rights Shares are expected to be dealt with in their nil-paid form from Friday, 24 December 2004 to Thursday, 6 January 2005, both dates inclusive.

The Company expects to send the Prospectus Documents to all Qualifying Shareholders, and the Prospectus, for their information only, to all Excluded Shareholders, on Wednesday, 22 December 2004.

The latest time for acceptance and payment of the Rights Shares is expected to be at 4:00 p.m. on Tuesday, 11 January 2005. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

**Existing Shares will be dealt with on an ex-rights basis from Thursday, 16 December 2004. Any dealings in the Shares or Rights Shares in their nil-paid form from now up to the date on which all conditions of the Underwriting Agreement are fulfilled are accordingly at the investors' own risk. Any Shareholder or other person contemplating any selling or purchasing the Shares or Rights Shares in their nil-paid form, who is in doubt of his/her position, is recommended to consult his/her own professional adviser.**

Trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on 29 November 2004 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Wednesday, 1 December 2004.

## **PROPOSED RIGHTS ISSUE**

### **Issue Statistics**

Basis of Rights Issue	: one Rights Share for every four existing Shares held by a Qualifying Shareholder on the Record Date
Subscription Price	: HK\$0.250 per Rights Share
Number of existing Shares in issue	: 1,039,287,500 Shares as at the date of this announcement
Number of Rights Shares	: not less than 259,821,875 Rights Shares and not more than 264,846,875 Rights Shares

As at the date of this announcement, there are outstanding Share Options entitling the holders to subscribe for an aggregate of 20,100,000 Shares, subject to adjustments.

Other than the Share Options mentioned above, the Company has no other outstanding options or convertible securities as at the date of this announcement.

The Company expects to raise, before expenses, not less than approximately HK\$65.0 million through the issue of not less than 259,821,875 Rights Shares and not more than approximately HK\$66.2 million through the issue of not more than 264,846,875 Rights Shares, at the price of HK\$0.250 per Rights Share.

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must on the Record Date: –

- (i) be registered on the register of members of the Company; and
- (ii) (a) have an address in Hong Kong on the register of members of the Company; or  
(b) have an address outside Hong Kong on the register of members of the Company unless the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient to exclude any such Shareholder on account either of the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place.

In order to be registered as a member on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong no later than 4:00 p.m. on Friday, 17 December 2004.

The branch share registrar of the Company in Hong Kong is:

Tengis Limited  
G/F, Bank of East Asia Harbour View Centre  
56 Gloucester Road  
Wanchai  
Hong Kong

### **Closure of Register of Members**

The register of members of the Company will be closed from Monday, 20 December 2004 to Wednesday, 22 December 2004, both dates inclusive, for the purpose of determining entitlements to participate in the Rights Issue. No transfers of Shares will be registered during this period.

## **TERMS OF THE RIGHTS ISSUE**

### **Subscription Price for the Rights Shares**

The Subscription Price will be HK\$0.250 per Rights Share, payable in full by the Qualifying Shareholders upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares.

The Subscription Price represents:

1. a discount of 5.66% to the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the Last Trading Day;
2. a discount of about 4.58% to the theoretical ex-rights price of about HK\$0.262 per Share based on that closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the Last Trading Day; and
3. a discount of about 6.37% to the average closing price of about HK\$0.267 per Share as quoted on the Stock Exchange for the last ten Trading Days up to and including the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiations between the Company and FB Gemini with reference to the prevailing market conditions. The Directors consider the terms of the Rights Issue to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The Directors also consider that the discounted price for each Rights Share as compared to the recent market prices should encourage the Shareholders to participate in the Rights Issue.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the then existing Shares in issue. Holders of such Rights Shares will be entitled to receive all future dividends

and distributions which are declared, made or paid after the date of allotment and issue of the Rights Shares.

### **Certificates for Rights Shares and refund cheques**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted on or before Friday, 28 January 2005 to those who have accepted or where applicable to apply for, and paid for the Rights Shares, by ordinary post at their own risk, and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on or before Friday, 28 January 2005 by ordinary post to the applicants at their own risk.

### **Rights of Excluded Shareholders**

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda. The Company is in the process making enquiries regarding the feasibility of extending the Rights Issue to the Shareholders with registered addresses outside Hong Kong. If based on legal opinions provided by the legal advisors, the Directors consider that it is necessary or expedient not to offer the Rights Shares to any particular Shareholder on account either of the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Excluded Shareholder. The Company will send copies of the Prospectus to such Excluded Shareholder for his information only, but the Company will not send any provisional allotment letters and forms of application for excess Rights Shares to such Excluded Shareholder.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to such Excluded Shareholder to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata to the relevant Excluded Shareholder in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit.

### **Fractions of Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. The Company will sell any Rights Shares created from the aggregation of fractions of Rights Shares (if a premium, net of expenses, can be obtained), and will retain the proceeds for its own benefit.

### **Applications for excess Rights Shares**

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders, any unsold Rights Shares created by adding together fractions of Rights Shares and any Rights Shares provisionally allotted to but not accepted by Qualifying Shareholders. Application may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion, but on a fair and equitable basis as far as practicable but preference will be given to topping up odd lots to whole board lots.

The latest time for acceptance of, and payment for, Rights Shares and application, and payment, for excess Rights Shares is expected to be at 4:00 p.m. on Tuesday, 11 January 2005, or such later date as may be agreed between the Company and FB Gemini.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

Nil-paid Rights Shares will be traded in board lots of 2,000 Shares. Dealing in the Rights Shares in both their nil-paid and fully-paid forms registered in the branch register of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

## **UNDERWRITING ARRANGEMENTS**

### **Underwriting Agreement**

Date	: 26 November, 2004
Parties	: the Company and FB Gemini
Number of Rights Shares underwritten	: Not less than 259,821,875 Rights Shares and not more than 264,846,875 Rights Shares, being the total number of Rights Shares to which holders of the existing Shares held on the Record Date will be entitled to subscribe pursuant to the Rights Issue
Commission	: 2.5% of the total Subscription Price of the Rights Shares underwritten

The commission payable to FB Gemini was determined after arm's length negotiations between the Company and FB Gemini. The Directors consider that such commission is on normal commercial terms and is comparable with market rate. So far as the Directors are aware, FB Gemini is not a, and is independent of any, connected person (as defined in the Listing Rules) of the Company.

### **CONDITIONS OF THE UNDERWRITING AGREEMENT**

The Underwriting Agreement is conditional upon, among other things, the following conditions being fulfilled:

1. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms;

2. the registration of the Prospectus Documents with the Registrar of Companies in Hong Kong and the delivery and filing of the Prospectus Documents with the Registrar of Companies in Bermuda;
3. the Bermuda Monetary Authority granting the consent to the issue of the Rights Shares, if required; and
4. the compliance by the Company of its obligations under the Underwriting Agreement.

#### **TERMINATION OF THE UNDERWRITING AGREEMENT**

FB Gemini may terminate the arrangements set out in the Underwriting Agreement by notice in writing to the Company at any time prior to 4:00 p.m. on the third Business Day following the latest date for acceptance of the Rights Shares if:–

1. any of the following events occurs which might, in the reasonable opinion of FB Gemini, materially adversely affect the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or otherwise makes it inexpedient or inadvisable for the Company or FB Gemini to proceed with the Rights Issue:
  - (i) the introduction of any new law or regulation or any change in existing law or regulation or any change in the judicial interpretation or application thereof or other occurrence of any nature whatsoever; or
  - (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Underwriting Agreement and including an event of change in relation to or a development of an existing state of affairs) of a political, military, financial, regulatory, economic, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict); or
  - (iii) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange or on commercial banking activities in New York, London, Hong Kong or Taiwan occurring due to exceptional financial circumstances or any declarations made by the relevant authorities; or
  - (iv) a change or development involving a prospective change in taxation in Hong Kong, Bermuda or the PRC or elsewhere or the implementation of exchange controls; or
  - (v) any change in the conditions of local, national or international securities markets; or
  - (vi) any disruption of settlement of securities or clearance services on any of the stock exchanges of New York, London, Hong Kong or Taiwan; or
  - (vii) the outbreak or escalation of hostilities involving the United States, the United Kingdom, Hong Kong or Taiwan or the declaration by the United States, the United Kingdom, Hong Kong or Taiwan of a national emergency or war; or
  - (viii) the terms of the Acquisition having been varied in any aspect or the Acquisition Agreement having been terminated; or
  - (ix) the Company having failed to provide sufficient information to the reasonable satisfaction of FB Gemini that sufficient funding arrangement for the Acquisition has been or will be in place; or
  - (x) any three of the four executive Directors as at the date of the Underwriting Agreement having ceased to be executive Directors; or
2. FB Gemini shall receive notification pursuant to the Underwriting Agreement or shall otherwise become aware of the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, materially untrue or inaccurate or would be materially untrue or inaccurate if repeated as provided in the Underwriting Agreement and FB Gemini shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
3. any change occurs in the circumstances of the Company or any member of the Group which might materially adversely affect the business, financial or trading position or prospects of the Group as a whole; or
4. the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission would have a material adverse effect on the business, financial or trading position of the Group as a whole; or
5. any event, or series of events, beyond the control of FB Gemini (including, without limitation, acts of government, strike, lock-outs, fire, explosion, flooding, civil commotion, acts of war or acts of God) occurs which in the reasonable opinion of FB Gemini has or would have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting thereof,

then and, in such case, FB Gemini may, by notice in writing given to the Company on or before 4:00 p.m. on the third Business Day following the latest date for acceptance of the Rights Shares, terminate the Underwriting Agreement. Upon termination of the Underwriting Agreement, the Rights Issue will not proceed.



**WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES**

Existing Shares will be dealt with on an ex-rights basis from Thursday, 16 December 2004. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company on the Record Date, which is currently expected to be Wednesday, 22 December 2004. In order to be registered as members of the Company on the Record Date, any transfers of Shares (with the relevant share certificates) must be lodged for registration by 4:00 p.m. on Friday, 17 December 2004.

The Rights Shares are expected to be dealt with in their nil-paid form from Friday, 24 December 2004 to Thursday, 6 January 2005, both days inclusive. If FB Gemini terminates the Underwriting Agreement, or the conditions of the Underwriting Agreement are not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares or Rights Shares in their nil-paid form from now up to the date on which all conditions of the Underwriting Agreement are fulfilled are accordingly at the investors' own risk. Any Shareholder or other person contemplating any selling or purchasing of the Shares or Rights Shares in their nil-paid form, who is in doubt of his/her position, is recommended to consult his/her own professional adviser.

**EFFECTS ON SHAREHOLDING STRUCTURE**

The following is the shareholding structure of the Company immediately before and after completion of the Rights Issue, assuming no Share Options have been exercised prior to the completion of the Rights Issue:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders take up their entitlements under the Rights Issue)		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholder takes up his/her/its entitlement under the Rights Issue)	
	Shares	%	Shares	%	Shares	%
	(approximately)		(approximately)		(approximately)	
Chow Ting Hsing, Raymond (Note 1)	250,537,223	24.11%	313,171,527	24.11%	250,537,223	19.29%
Li Ka-shing (Note 2)	178,054,000	17.13%	222,567,500	17.13%	178,054,000	13.71%
Typhoon Music (PRC) Limited (Note 3)	155,000,000	14.91%	193,750,000	14.91%	155,000,000	11.93%
PAMA Group Inc.	123,284,027	11.86%	154,105,033	11.86%	123,284,027	9.49%
FB Gemini	0	0.00%	0	0.00%	259,821,875	20.00%
Public	332,412,250	31.99%	415,515,315	31.99%	332,412,250	25.58%
Total	<u>1,039,287,500</u>	<u>100.00%</u>	<u>1,299,109,375</u>	<u>100.00%</u>	<u>1,299,109,375</u>	<u>100.00%</u>

**Notes:**

1. Chow Ting Hsing, Raymond is deemed to be interested in 250,537,223 Shares by virtue of his 100% beneficial holding in Planet Gold Associates Limited and Net City Limited which hold 146,568,473 Shares and 103,968,750 Shares, respectively. Chow Yuan Hsi Hua, Felicia, the spouse of Chow Ting Hsing, Raymond, is deemed to be interested in the same shares in which Chow Ting Hsing, Raymond is interested. Chow Ting Hsing, Raymond has informed the Board that he intends to arrange for the full subscription of the Rights Shares to be provisionally allotted in relation to his shareholdings.
2. Li Ka-shing is deemed to be interested in 178,054,000 Shares by virtue of his 100% beneficial holding in Mayspin Management Limited which in turn owns the entire interest in each of Garex Resources Limited, which holds 150,414,000 Shares, Podar Investment Limited, which holds 25,000,000 Shares, and Oscar Resources Limited, which holds 2,640,000 Shares.
3. EMI Group Plc has 100% control of Virgin Music Group Limited, which has 100% control of EMI Group Worldwide Limited, which in turn has a 50% shareholding in Typhoon Music (PRC) Limited. Cheng Tung Hon, Norman has 100% control of Typhoon Records Limited, which has a 50% shareholding in Typhoon Music (PRC) Limited. Each of EMI Group Plc, Virgin Music Group Limited, EMI Group Worldwide Limited, Cheng Tung Hon, Norman and Typhoon Records Limited is deemed to be interested in the 155,000,000 Shares held by Typhoon Music (PRC) Limited. Feng Yuen Cheung, Lily, the spouse of Cheng Tung Hon, Norman, is deemed to be interested in the same shares in which Cheng Tung Hon, Norman is interested.

The following is the shareholding structure of the Company immediately before and after completion of the Rights Issue, assuming all the Share Options have been exercised prior to the completion of the Rights Issue:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders take up the Rights Shares in full)		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholder takes up his/her/its entitlement under the Rights Issue)	
	Shares	%	Shares	%	Shares	%
	(approximately)		(approximately)		(approximately)	
Chow Ting Hsing, Raymond (Note 1)	250,537,223	23.65%	313,171,527	23.65%	250,537,223	18.92%
Li Ka-shing (Note 2)	178,054,000	16.81%	222,567,500	16.81%	178,054,000	13.45%
Typhoon Music (PRC) Limited (Note 3)	155,000,000	14.63%	193,750,000	14.63%	155,000,000	11.70%
PAMA Group Inc.	123,284,027	11.64%	154,105,033	11.64%	123,284,027	9.31%
FB Gemini	0	0.00%	0	0.00%	264,846,875	20.00%
Public	352,512,250	33.27%	440,640,315	33.27%	352,512,250	26.62%
Total	1,059,387,500	100.00%	1,324,234,375	100.00%	1,324,234,375	100.00%

**Notes:**

1. Chow Ting Hsing, Raymond is deemed to be interested in 250,537,223 Shares by virtue of his 100% beneficial holding in Planet Gold Associates Limited and Net City Limited which hold 146,568,473 Shares and 103,968,750 Shares, respectively. Chow Yuan Hsi Hua, Felicia, the spouse of Chow Ting Hsing, Raymond, is deemed to be interested in the same shares in which Chow Ting Hsing, Raymond is interested. Chow Ting Hsing, Raymond has informed the Board that he intends to arrange for the full subscription of the Rights Shares to be provisionally allotted in relation to his shareholdings.
2. Li Ka-shing is deemed to be interested in 178,054,000 Shares by virtue of his 100% beneficial holding in Mayspin Management Limited which in turn owns the entire interest in each of Garex Resources Limited, which holds 150,414,000 Shares, Podar Investment Limited, which holds 25,000,000 Shares, and Oscar Resources Limited, which holds 2,640,000 Shares.
3. EMI Group Plc has 100% control of Virgin Music Group Limited, which has 100% control of EMI Group Worldwide Limited, which in turn has a 50% shareholding in Typhoon Music (PRC) Limited. Cheng Tung Hon, Norman has 100% control of Typhoon Records Limited, which has a 50% shareholding in Typhoon Music (PRC) Limited. Each of EMI Group Plc, Virgin Music Group Limited, EMI Group Worldwide Limited, Cheng Tung Hon, Norman and Typhoon Records Limited is deemed to be interested in the 155,000,000 Shares held by Typhoon Music (PRC) Limited. Feng Yuen Cheung, Lily, the spouse of Cheng Tung Hon, Norman, is deemed to be interested in the same shares in which Cheng Tung Hon, Norman is interested.

**REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

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

The expenses of the Rights Issue are estimated to be approximately HK\$3.0 million, which will be borne by the Company. The net proceeds of the Rights Issue after expenses are expected to be not less than approximately HK\$62.0 million. The Company intends to use the net proceeds from the Rights Issue for the purposes of financing in part the Acquisition, provided that if the Company does not proceed with the Acquisition for any reason, the Company intends to use the net proceeds for investment purposes if suitable opportunities arise, and for general working capital purposes.

The Directors consider that the Rights Issue provides an opportunity for the Group to strengthen its capital base and to provide part of the financing required to fund the Acquisition. It was stated in the announcement dated 21 October 2004 that Golden Sky has agreed to acquire a 40% interest in the capital interest in Warner Village Taiwan and certain shareholders loans at a pro-rated consideration of US\$15.2 million (approximately HK\$118.26 million), provided that such pro-rated consideration may increase should the other two purchasers decide not to fulfil its/their obligations under the Acquisition Agreement at completion and Golden Sky decides to step-in and purchase additional capital interest in Warner Village Taiwan at completion. It also provides an opportunity to the shareholders to participate in the growth of the Company. In addition, the Rights Issue will also allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company. Accordingly, the Directors consider that it is in the interest of the Company and its Shareholders as a whole to raise capital through the Rights Issue. **However, a Qualifying Shareholder who does not take up the Rights Shares to which he is entitled should note that their shareholding in the Company will be diluted.**

## CAPITAL RAISING ACTIVITIES OF THE COMPANY DURING THE 12 MONTHS ENDED 30 NOVEMBER 2004

The following table summaries the capital raising activities of the Group for the 12 months immediately before the date of this announcement:

Date of announcement	Date of agreement	Nature of transaction	Amount of net proceeds raised	Intended use of net proceeds	Amount of net proceeds used as at the date of this announcement	Unutilized amount as at the date of this announcement
16 July 2004	14 July 2004	Subscription of new Shares by Typhoon Music (PRC) Limited	Approximately HK\$36.4 million	General working capital purposes	HK\$23.4 million for general working capital	Nil
				Capital contribution towards a joint venture company	HK\$6 million for capital contribution towards a film financing business joint venture	Nil
				Future investment opportunities in the film related businesses	HK\$7 million for capital contribution towards cinema operations joint venture	Nil

### EXPECTED TIMETABLE

Last day of dealings in existing Shares on a cum-rights basis .....	Wednesday, 15 December 2004
Commencement date of dealing in existing Shares on an ex-rights basis .....	Thursday, 16 December 2004
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue .....	4:00 p.m. on Friday, 17 December 2004
Register of members closes .....	from Monday, 20 December 2004 to Wednesday, 22 December 2004, both days inclusive
Record Date .....	Wednesday, 22 December 2004
Prospectus Documents despatched on .....	Wednesday, 22 December 2004
Register of members re-opens .....	Thursday, 23 December 2004
First day of dealings in nil-paid Rights Shares .....	Friday, 24 December 2004
Latest time for splitting nil-paid Rights Shares .....	4:00 p.m. on Monday, 3 January 2005
Last day of dealings in nil-paid Rights Shares .....	Thursday, 6 January 2005
Latest time for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares .....	4:00 p.m. on Tuesday, 11 January 2005
Rights Issue expected to become unconditional .....	4:00 p.m. on Friday, 14 January 2005
Announcement of results of acceptance of Rights Issue to appear in newspapers on or before .....	Wednesday, 26 January 2005
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares to be despatched on or before .....	Friday, 28 January 2005
Certificates for fully-paid Rights Shares to be despatched on or before .....	Friday, 28 January 2005
Dealings in fully-paid Rights Shares on the Stock Exchange to commence on .....	Tuesday, 1 February 2005

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be varied by agreement between the Company and FB Gemini. Any changes to the expected timetable will be notified to the Shareholders.

### GENERAL

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully paid forms.

### SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on Monday, 29 November 2004 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Wednesday, 1 December 2004.

## DEFINITIONS

“Acquisition”	the acquisition by Golden Sky of a 40% (or more) interest in the capital interest in Warner Village Taiwan, and certain shareholders loans, pursuant to the Acquisition Agreement, as announced by the Company on 21 October 2004
“Acquisition Agreement”	the Share and Loan Purchase Agreement dated 18 October 2004 entered into between Warner Bros. Entertainment Inc., Village Cinemas International Pty Ltd., Golden Sky, two Taiwan corporations and the Company relating to the Acquisition
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for business in dealing in securities and banks are generally open for business for more than five hours in Hong Kong
“Company”	Golden Harvest Entertainment (Holdings) Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Excluded Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address is/are in a place(s) outside Hong Kong where the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient to exclude any such Shareholder on account either of the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place
“FB Gemini”	FB Gemini Capital Limited, a licensed corporation to carry on business in types 1, 4 and 6 regulated activities (dealing in securities, advising on securities and corporate finance and asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Group”	the Company and its subsidiaries
“Golden Sky”	Golden Sky Pacific Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	Friday, 26 November 2004, being the last trading day before the suspension of the trading of the Shares on the Stock Exchange pending the release of this announcement in relation to the Rights Issue
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and which for the purposes of this announcement excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares
“Qualifying Shareholder(s)”	Shareholder(s), other than Excluded Shareholders, whose names appear on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 22 December 2004, being the date by reference to which entitlements to the Rights Issue will be determined
“Rights Issue”	the issue of the Rights Shares on the basis of one Rights Share for every four existing Shares held on the Record Date at a price of HK\$0.250 per Rights Share as described in this announcement
“Rights Share(s)”	new Shares to be allotted and issued in respect of the Rights Issue
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)



“Share Options”	Share options granted to eligible participants of the Company under the share option schemes of the Company adopted on 2 November 1994 (which was terminated on 29 November 2001) and 31 October 2001 (currently outstanding Share Options granted under both share options schemes entitle their holders to subscribe for an aggregate of 20,100,000 Shares)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.250 per Rights Share
“Trading Day(s)”	day(s) on which the Stock Exchange is open for trading
“Underwriting Agreement”	the agreement dated 26 November 2004 made between the Company and FB Gemini relating to the underwriting and other arrangements in respect of the Rights Issue
“Warner Village Taiwan”	Warner Village Cinemas Co., Ltd., a limited company incorporated under the laws of Taiwan
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

*Executive Directors:*

Mr. Chow Ting Hsing, Raymond  
Mr. Phoon Chiong Kit  
Mr. Chan Sik Hong, David  
Mrs. Chin Chow Chung Hang, Roberta  
Mr. Lau Pak Keung  
(alternate director to Mr. Phoon Chiong Kit)

*Non-executive Director:*

Mr. Kronfeld, Eric Norman

*Independent non-executive Directors:*

Mr. Lin, Frank  
Prince Yukol, Chatrichalerm  
Mr. Ma Kah Woh, Paul

On behalf of the Board  
**Chow Ting Hsing, Raymond**  
*Chairman*

Hong Kong, 30 November 2004