
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Golden Harvest Entertainment (Holdings) Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1132)

**PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
PROPOSED GENERAL MANDATES TO REPURCHASE
ITS OWN SHARES AND TO ISSUE NEW SHARES
AND
RE-ELECTION OF DIRECTORS**

A notice convening an annual general meeting of the Company to be held at Function Room – Peach and Cherry, M/F, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Friday, 12 November 2004 at 3:00 p.m. is set out on pages 92 to 100 of the Annual Report 2004 sent together with this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk).

Whether or not you are able to attend the annual general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrars in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

19 October 2004

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DEFINITIONS

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

| | |
|---------------------------|--|
| “Annual General Meeting” | the annual general meeting of the Company to be held at Function Room – Peach and Cherry, M/F, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Friday, 12 November 2004 at 3:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the annual general meeting as set out on pages 92 to 100 of the Annual Report 2004 sent together with this circular, or any adjournment thereof; |
| “Annual Report 2004” | the annual report of the Company, containing, inter alia, the notice of the Annual General Meeting and the reports and audited financial statements for the year ended 30 June 2004, sent to Shareholders; |
| “Board” | the board of Directors of the Company for the time being; |
| “Buyback Mandate” | as defined in paragraph 3(a) of the Letter from the Board; |
| “Bye-laws” | the bye-laws of the Company; |
| “Company” | Golden Harvest Entertainment (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange; |
| “Directors” | director(s) of the Company; |
| “Group” | the Company and its subsidiaries from time to time; |
| “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; |
| “Issue Mandate” | as defined in paragraph 3(b) of the Letter from the Board; |
| “Latest Practicable Date” | 12 October 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Ordinary Resolutions” | the proposed ordinary resolutions as referred to in the notice of the Annual General Meeting; |

DEFINITIONS

| | |
|---------------------------|---|
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong; |
| “Share(s)” | share(s) of HK\$0.10 each in the capital of the Company; |
| “Shareholder(s)” | holder(s) of Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Substantial Shareholder” | a substantial shareholder as defined in the Listing Rules; |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong. |

LETTER FROM THE BOARD



GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1132)

Executive Directors:

Chow Ting Hsing, Raymond (*Chairman*)
Phoon Chiong Kit
Chu Siu Tsun, Stephen
Chan Sik Hong, David
Chin Chow Chung Hang, Roberta

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Kronfeld, Eric Norman

Principal Place of Business in

Hong Kong:

16th Floor
The Peninsula Office Tower
18 Middle Road
Tsimshatsui
Kowloon
Hong Kong

Independent Non-executive Directors:

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

19 October 2004

To the Shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
PROPOSED GENERAL MANDATES TO REPURCHASE
ITS OWN SHARES AND TO ISSUE NEW SHARES
AND
RE-ELECTION OF DIRECTORS**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the amendments to the Bye-laws; (ii) the granting of the Buyback Mandate to the Directors; (iii) the granting of the Issue Mandate to the Directors; (iv) the extension of the Issue Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Buyback Mandate; and (v) the re-election of Directors.

LETTER FROM THE BOARD

2. PROPOSED AMENDMENTS TO THE BYE-LAWS

The following is a summary of the major amendments to the Bye-laws to be proposed at the Annual General Meeting:

(a) New Listing Rules requirements

On 30 January 2004, the Stock Exchange announced certain amendments to the Listing Rules which came into effect on 31 March 2004. The amendments include the relevant amendments to Appendix 3 of the Listing Rules which require a listed issuer's articles of association/bye-laws to conform with certain provisions. The Directors therefore propose to amend the Bye-laws to ensure compliance with the amended provisions of the Listing Rules in the following aspects:

- (i) Bye-law 76 of the Bye-laws shall be amended to the effect that where the Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;
- (ii) Bye-law 88 of the Bye-laws shall be amended to the effect that the minimum length of the period during which the notice to the Company of the intention to propose a person for election as a Director and during which the notice to the Company by such person of his willingness to be elected are given shall be at least 7 days and that the period for lodgement of the aforesaid notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting; and
- (iii) Bye-law 103 of the Bye-laws shall be amended to the effect that a Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her associates (as defined in the Listing Rules) has a material interest nor shall he/she be counted in the quorum present at such board meeting (subject to certain exceptions acceptable to the Stock Exchange).

(b) Provisions relating to clearing house

With the repeal of the Securities and Futures (Clearing Houses) Ordinance and the enactment of the SFO on 1 April 2003, the Directors propose to amend the Bye-laws in the following aspects:

- (i) The definition of "clearing house" under Bye-law 1 of the Bye-laws shall be amended such that its reference to the Securities and Futures (Clearing Houses) Ordinance shall be deleted;

LETTER FROM THE BOARD

- (ii) Bye-law 46 of the Bye-laws shall be amended to make it clear that the instrument to effect the transfer of Shares may be in such form prescribed by the Stock Exchange and specify how an instrument of transfer may be executed by a clearing house; and
- (iii) Bye-law 84(2) of the Bye-laws shall be amended to expressly provide that each corporate representative authorised under the provisions of the Bye-laws shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house.

(c) Distribution of summary financial reports

Taking advantage of the flexibility now permitted under the Listing Rules, the Directors further propose to amend the Bye-laws in the following aspects:

- (i) Bye-law 153A of the Bye-laws shall be inserted to the Bye-laws to allow the Company to distribute summary financial reports to Shareholders in place of the full set of the annual reports and accounts; and
- (ii) Bye-law 153B of the Bye-laws shall be inserted to the Bye-laws to allow the Company to distribute either the annual reports and accounts or summary financial reports to the Shareholders through the Company's computer network or in any other permitted manner, so that the Company will be treated as having discharged its obligation to send to the Shareholders a copy of such documents.

(d) Corporate communications

Taking advantage of the flexibility now permitted under the Listing Rules, the Directors also recommend that amendments be made to Bye-laws 2, 160 and 161 to allow the Company to send any corporate communications (as defined in the Listing Rules) to the Shareholders by electronic means and in the English language or the Chinese language.

(e) Provisions relating to the laws of Bermuda

The Directors also recommend that amendments be made to the Bye-laws to clarify or reflect certain amendments to the laws of Bermuda, some of which are as follows:

- (i) Bye-law 6 of the Bye-laws shall be amended to make it clear that where share premium of the Company is used for the purposes expressly permitted under the Companies Act 1981 of Bermuda (the "Companies Act"), a special resolution is not required;
- (ii) Bye-law 154(2) of the Bye-laws shall be amended to reflect the amendment to section 89 of the Companies Act in 1998 which now provides that no person, other than an incumbent auditor, shall be capable of being appointed auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of auditor has been given not less than 21 days before the annual general meeting; and

LETTER FROM THE BOARD

- (iii) Bye-law 157 of the Bye-laws shall be amended to reflect the directors' statutory power under section 89(4) of the Companies Act to fill a casual vacancy in the office of auditor.

The proposed amendments to the Bye-laws are stated in the proposed special resolution no. 4 in the notice convening the Annual General Meeting as set out on pages 92 to 100 of the Annual Report 2004 sent together with this circular. The proposed amendments also include corresponding modifications and update of certain definitions as set out in the Bye-laws to be in line with the Listing Rules and the laws of Bermuda. A copy of the current Bye-laws (before the proposed amendments come into effect) will be available for inspection at the Company's principal place of business in Hong Kong at 16th Floor, The Peninsula Office Tower, 18 Middle Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

3. BUYBACK MANDATE AND ISSUE MANDATE

At the annual general meeting of the Company held on 26 November 2003, general mandates were given to the Directors to exercise the powers of the Company to repurchase shares of the Company and to issue new shares of the Company respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary Resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing such resolution (the "Buyback Mandate");
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution (the "Issue Mandate"); and
- (c) to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issue Mandate will continue to be in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 5 and 6 set out in the notice of the Annual General Meeting.

In accordance with the requirements of the Listing Rules, the Company is required to send to each of the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

4. RE-ELECTION OF DIRECTORS

In accordance with Bye-laws 86(2) and 87 of the Bye-laws, Mrs. Chin Chow Chung Hang, Roberta, Mr. Kronfeld, Eric Norman, Mr. Ma Kah Woh, Paul and Mr. Lin, Frank will retire as Directors, and being eligible, offer themselves for re-election at the Annual General Meeting. The details of Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix III to this circular.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 92 to 100 of the Annual Report 2004 sent together with this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the amendments to the Bye-laws, the granting of the Buyback Mandate and the Issue Mandate, the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate and the re-election of Directors. No Shareholder is required to abstain from voting at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrars in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

6. RECOMMENDATION

The Directors consider that the proposed amendments to the Bye-laws, the granting of the Buyback Mandate, the granting/extension of the Issue Mandate and the re-election of Directors are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Buyback Mandate), Appendix II (Procedure by which the Shareholders may demand a poll at a general meeting pursuant to the Bye-laws) and Appendix III (Details of Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
On Behalf of the Board
Chow Ting Hsing, Raymond
Chairman

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Buyback Mandate.

1. REASONS FOR SHARE BUYBACK

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the Buyback Mandate would be beneficial to the Company and its Shareholders. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Company since the earnings per share and their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company. Repurchases will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,039,287,500 Shares. Subject to the passing of the Ordinary Resolution No. 5, the Company would be allowed under the general mandate to repurchase a maximum of 103,928,750 Shares, representing 10% of the issued share capital of the Company, on the basis that no further Shares will be issued or repurchased prior to the date of the Annual General Meeting.

3. FUNDING OF REPURCHASES

Any repurchases will only be funded out of funds of the Company legally available for the purpose of making the proposed purchases in accordance with its Bye-laws and the laws of Bermuda. The Directors propose that repurchases of Shares under the Buyback Mandate in these circumstances would be financed from the Company's distributable profits and proceeds of a fresh issue of shares.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest audited financial statements contained in the annual report of the Company for the year ended 30 June 2004) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

4. MARKET PRICES OF SHARES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months immediately preceding the Latest Practicable Date, were as follows:

| | Price per Share | |
|---|------------------------|-----------------------|
| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
| 2003 | | |
| November | 0.2800 | 0.2000 |
| December | 0.2800 | 0.2000 |
| 2004 | | |
| January | 0.2380 | 0.1810 |
| February | 0.3350 | 0.2200 |
| March | 0.2900 | 0.2000 |
| April | 0.2700 | 0.2300 |
| May | 0.3500 | 0.1900 |
| June | 0.2900 | 0.2100 |
| July | 0.2950 | 0.2200 |
| August | 0.2750 | 0.2500 |
| September | 0.2900 | 0.2300 |
| October (up to the Latest Practicable Date) | 0.2700 | 0.2410 |

5. DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases under the Buyback Mandate in accordance with the Listing Rules and the laws of Bermuda.

The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases to be made under the Buyback Mandate. However, if as a result of a repurchase a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Chow Ting Hsing, Raymond, the Chairman and a Director together with Planet Gold Associates Limited and Net City Limited, being companies which are wholly-owned by Mr. Chow, beneficially held in aggregate 250,537,223 Shares in the issued share capital of the Company (representing approximately 24.11% of the Company's issued share capital). If the powers of the Company to make purchases under the Buyback Mandate is exercised in full, Mr. Chow's direct and indirect interest in the issued share capital of the Company will be increased to 26.79%.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

The Directors will not repurchase Shares if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates presently intend to sell Shares to the Company under the Buyback Mandate in the event that the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Buyback Mandate is approved by the Shareholders.

6. SHARES PURCHASES MADE BY THE COMPANY

No purchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

The following paragraphs set out the procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the Bye-laws.

According to Bye-law 66 of the Bye-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:–

- (a) the chairman of such meeting; or
- (b) at least three Shareholders present in person or, in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Pursuant to the Listing Rules, the details of the Directors who will retire and offer themselves for re-election at the Annual General Meeting are provided below.

(1) Mrs. CHIN CHOW Chung Hang, Roberta, aged 41, executive Director

Mrs. CHIN Chow Chung Hang, Roberta has co-produced various films with the Golden Harvest Group in the past, and holds a Bachelor of Arts Degree in English Literature from Dominican University of California, the United States, and a Master's Degree in Communication – Documentary Film from Stanford University, the United States. Mrs. Chin has had more than 19 years' experience in the film production and distribution industry. She is the daughter of Mr. Chow Ting Hsing, Raymond, an executive director, the Chairman of the Board and a Substantial Shareholder. Mrs. Chin was appointed an executive Director by the Board on 2 August 2004. Mrs. Chin is also a director of Golden Harvest Entertainment (Taiwan) Company Limited, a subsidiary of the Company. Save as disclosed herein, Mrs. Chin does not hold any position in any member of the Group.

As at the Latest Practicable Date, the service contract of Mrs. Chin is for a term of 3 years. Mrs. Chin will be entitled to receive an annual remuneration of HK\$1,080,000. Such amount of emoluments will be determined by reference to her duties and responsibilities within the Company and the Company's remuneration policy.

Mrs. Chin has not held directorships in any listed public companies in the last three years. Save as disclosed above, Mrs. Chin is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mrs. Chin did not have any interests in Shares within the meaning of Part XV of the SFO.

(2) Mr. KRONFELD, Eric Norman, aged 63, non-executive Director

Mr. KRONFELD, Eric Norman graduated with a Bachelor of Arts degree with distinction from Swarthmore College in 1962 and a Bachelor of Laws degree from the Harvard Law School in the United States in 1965. After he had worked as a law clerk to The Hon. J. Edward Lumbard, the Chief Judge of the United States Court of Appeals, Second Circuit, he joined Machat & Kronfeld in 1966, a law firm with one of the world's largest music business client lists where he became a partner and remained with the law firm until 1980. Mr. Kronfeld was a co-founder and the former Chairman of Philadelphia International Records from 1969 to 1975. He is also the founder of Maverick Productions, Ltd. ("Maverick") and has been the Chairman and Chief Executive Officer of Maverick since 1973. Maverick has produced albums by The Eagles, Eric Clapton, The Who, Faces, etc. and acted as the strategic consultant for multinational corporations in media including UST, Inc. (formerly known as US Tobacco, Inc.), PolyGram Inc., Time-Warner Inc., EMI, etc. From 1991 onwards until 1998, Mr. Kronfeld was the President and Chief Operating Officer of PolyGram Holding, Inc. and was a board member of PolyGram International Management. From 1999 to 2003, he was a member of the board of directors of listen.com which was sold to Real Networks, Inc., a Nasdaq-listed company. Mr. Kronfeld has almost 40 years of experience in strategic management and consultancy in the worldwide music industry. Mr. Kronfeld was appointed a non-executive Director and the chairman of the remuneration committee of the Company by the Board on 7 September 2004 and 8 October 2004 respectively. Save as disclosed herein, Mr. Kronfeld does not hold any position in any member of the Group.

As at the Latest Practicable Date, Mr. Kronfeld has not entered into any service contract with the Company. He does not have a specific length of service and is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Bye-laws. Mr. Kronfeld will be entitled to a director's fee in the amount of HK\$100,000 per annum, with reference to his duties as a non-executive Director. Mr. Kronfeld will also be entitled to a fee of HK\$20,000 per annum determined with reference to his duties as the chairman of the remuneration committee of the Company.

Save as mentioned above, Mr. Kronfeld has not held directorships in any listed public companies in the last three years. He is not connected with any other directors, senior management, substantial or controlling shareholders of the Company save that he is a director of Typhoon Music (PRC) Limited, a Substantial Shareholder. As at the Latest Practicable Date, Mr. Kronfeld did not have any interests in Shares within the meaning of Part XV of the SFO.

(3) Mr. MA Kah Woh, Paul, aged 57, independent non-executive Director

Mr. MA Kah Woh, Paul was a partner of KPMG Singapore, where, he was in charge of the Audit & Risk Advisory Practice until September 2002 and, for a year before his retirement in September 2003, the partner in charge of Risk Management. Mr. Ma now spends part of his time as a consultant for risk management matters to KPMG Asia Pacific. Mr. Ma is currently a director and also a member of the audit committee of both of Mapletree Investments Pte. Ltd. and Asia General Holdings Limited. Both companies are incorporated in Singapore. The former is a Singapore Government-linked company, involved in property investment and development. The latter is a public investment holding company with its principal investments in two life and general insurance companies in Singapore and Malaysia. Mr. Ma is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Institute of Certified Public Accountants of Singapore. He has over 35 years of experience in auditing, accounting and risk management and has worked in England, the United States of America and Singapore. Mr. Ma was appointed an independent non-executive Director and the chairman of the audit committee of the Company by the Board on 2 August 2004. Save as disclosed herein, Mr. Ma does not hold any position in any member of the Group.

Mr. Ma has not entered into any service contract with the Company. He does not have a specific length of service and is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Bye-laws. Mr. Ma will be entitled to a director's fee in the amount of HK\$100,000 per annum, with reference to his duties as an independent non-executive Director. Mr. Ma will also be entitled to a fee in the amount of HK\$50,000 per annum determined with reference to his duties as the chairman of the audit committee of the Company.

Mr. Ma has not held directorships in any listed public companies in the last three years. Mr. Ma is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Ma did not have any interests in Shares within the meaning of Part XV of the SFO.

(4) Mr. LIN, Frank, aged 77, independent non-executive Director

Mr. LIN, Frank received his education at St. John's University, Shanghai. He is presently the Chairman of Milo's International Corporation Limited and the Honorary Chairman of the Textile Council of Hong Kong Limited and the Hong Kong Knitwear Exporters & Manufacturers Association Limited. Mr. Lin was appointed an independent non-executive Director by the Board on 2 November 1994. Save as disclosed herein, Mr. Lin does not hold any position in any member of the Group.

Mr. Lin has not entered into any service contract with the Company. He does not have a specific length of service and is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Bye-Laws. Mr. Lin will be entitled to a director's fee in the amount of HK\$100,000 per annum with reference to his duties as an independent non-executive Director.

Mr. Lin has not held directorships in any listed public companies in the last three years. He is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lin did not have any interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any matters relating to the above proposed re-elections that need to be brought to the attention of the shareholders of the Company.