

---

**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.

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**Golden Harvest**

**GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1132)

**CONDITIONAL GRANT OF AN OPTION**

---

A letter from the Chairman is set out on pages 3 to 8 of this circular.

A notice convening the special general meeting of Golden Harvest Entertainment (Holdings) Limited to be held at 3/F., Tang Room (I), Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Wednesday, 9 May 2007 at 3:30 p.m., or so soon thereafter as the special general meeting of the Company convened by notice dated 17 April 2007 has concluded or been adjourned, is set out on pages 10 to 11 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

23 April 2007

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
 <b>LETTER FROM THE CHAIRMAN</b>	
Introduction .....	3
Conditional grant of an Option to Mr. Phoon .....	4
Special General Meeting .....	7
Poll Procedure .....	7
Responsibility Statement .....	8
Recommendation .....	8
<b>Appendix I – Letter from the Independent Board Committee</b> .....	9
<b>Notice of Special General Meeting</b> .....	10

---

## DEFINITIONS

---

*Unless the context otherwise requires, the following terms and expressions used in this circular shall have the following meanings:*

“associate”	has the meaning given to this term in the Listing Rules
“Board”	the board of Directors
“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”	the directors of the Company
“Exercise Price”	the exercise price in respect of the option conditionally granted to Mr. Phoon, which is subject to adjustment upon the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising the four independent non-executive Directors, Mr. Paul Ma Kah Woh, Mr. Frank Lin, Mr. George Huang Shao-Hua and Prince Chatrichalerm Yukol
“Latest Practicable Date”	18 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Phoon”	Mr. Phoon Chiong Kit, who is the Managing Director of the Company
“Option Shares”	up to 19,500,000 Shares in aggregate issuable upon exercise in full of the option conditionally granted to Mr. Phoon, which number is subject to adjustment upon the Share Consolidation becoming effective
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

---

## DEFINITIONS

---

“Share Consolidation”	has the meaning as defined in the circular of the Company dated 17 April 2007
“Shareholders”	holders of Shares
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Share Option Scheme”	the share option scheme approved by Shareholders and adopted by the Company on 28 November 2001
“Special General Meeting”	the special general meeting of the Company to be held on Wednesday, 9 May 2007 and convened pursuant to the notice contained in this circular
“Specified Limit”	the maximum entitlement of an eligible person under the Share Option Scheme stipulated in the Note to Rule 17.03(4) of the Listing Rules, namely, that the aggregate number of Shares issued and to be issued upon exercise of the options granted to such eligible person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

---

## LETTER FROM THE CHAIRMAN

---



**Golden Harvest**

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

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1132)

*Executive Directors:*

Raymond Chow Ting Hsing (*Chairman*)

Phoon Chiong Kit

David Chan Sik Hong

Roberta Chin Chow Chung Hang

Lau Pak Keung (*also alternate to Phoon Chiong Kit*)

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Non-executive Director:*

Eric Norman Kronfeld

*Principal Place of Business  
in Hong Kong:*

16th Floor

The Peninsula Office Tower

18 Middle Road

Tsimshatsui

Kowloon

Hong Kong

*Independent Non-executive Directors:*

Paul Ma Kah Woh

Frank Lin

George Huang Shao-Hua

Prince Chatrichalerm Yukol

23 April 2007

*To Shareholders and, for information only,  
to holders of share options and convertible notes*

Dear Sir/Madam,

### **CONDITIONAL GRANT OF AN OPTION**

#### **INTRODUCTION**

The Board proposes to seek the approval of the Shareholders to confirm, ratify and approve the conditional grant by the Board on 12 April 2007, of an option beyond the Specified Limit to Mr. Phoon.

The purpose of this circular is to provide Shareholders with information relevant to the conditional grant of an option to Mr. Phoon. This circular also sets out a notice of the Special General Meeting to be convened to consider and, if thought fit, to pass a resolution to confirm, ratify and approve the conditional grant of an option to Mr. Phoon under the Share Option Scheme beyond the Specified Limit.

---

## LETTER FROM THE CHAIRMAN

---

### CONDITIONAL GRANT OF AN OPTION TO MR. PHOON

The Board proposes to seek the confirmation, ratification and approval of Shareholders in respect of the conditional grant by the Board on 12 April 2007 of an option beyond the Specified Limit to Mr. Phoon as an incentive to him, who has over the past years dedicated great efforts towards the development and growth of the Group, for his continuing contribution to the Group.

The Board determined on 12 April 2007 that, subject to obtaining the approval of Shareholders, an option be granted to Mr. Phoon entitling him to subscribe for up to an aggregate number of 19,500,000 Option Shares (representing approximately 1.49% of the 1,305,587,375 Shares in issue as at the Latest Practicable Date and exceeding the Specified Limit (as at the date of grant of the option) of 13,055,873 Shares by 6,444,127 Shares) at the Exercise Price specified below. The minimum Exercise Price of HK\$0.393 per Share is higher than the closing price of HK\$0.330 per Share on 12 April 2007 and is also higher than the average closing price of HK\$0.358 per Share based on the closing prices as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding 12 April 2007, as calculated in accordance with the Note to Rule 17.03(4) and Note 1 to Rule 17.03(9) of the Listing Rules. There is no performance target which must be achieved before the option conditionally granted to Mr. Phoon can be exercised and that the consideration payable for the grant of the option of HK\$1.00 has been paid by Mr. Phoon on acceptance of the offer for the conditional grant of the option.

The Exercise Price of the option conditionally granted to Mr. Phoon is as follows:

<i>For the exercise of:–</i>	<i>Exercise Price per Share:–</i>
1. the first 6,500,000 Option Shares	HK\$0.393
2. a further 6,500,000 Option Shares	HK\$0.432
3. the balance of the further 6,500,000 Option Shares	HK\$0.475

The option conditionally granted to Mr. Phoon will be subject to the terms of the Share Option Scheme. A copy of the rules of the Share Option Scheme is available for inspection at the principal place of business of the Company in Hong Kong at 16th Floor, The Peninsula Office Tower, 18 Middle Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours on any week day (except public holidays) from 23 April 2007 up to and including 9 May 2007 and will also be available for inspection at the Special General Meeting.

## LETTER FROM THE CHAIRMAN

The details of the options previously granted to Mr. Phoon under the Share Option Scheme and an earlier share option scheme of the Company are set out below:

Date of grant	Exercise price per Share	No. of Shares in respect of which options were granted	No. of Shares in respect of which options are outstanding as at the Latest Practicable Date	Expiry date
25 July 2000	HK\$0.624	5,750,000	5,750,000	24 July 2010
31 October 2001	HK\$0.496	12,500,000	12,500,000	30 October 2011
9 December 2004	1. HK\$0.208	6,250,000	6,250,000	30 October 2011
	2. HK\$0.256	6,250,000	6,250,000	30 October 2011
	3. HK\$0.304	6,250,000	6,250,000	30 October 2011
Total		<u>37,000,000</u>	<u>37,000,000</u>	

None of his options has been exercised, cancelled or lapsed as at the Latest Practicable Date.

The details of the total number of options granted under the Share Option Scheme and an earlier share option scheme including the conditional grant of an option as described in this circular are set out below:

Name or category of participant	Date of grant	Exercise price per Share	No. of Shares in respect of which options were granted	No. of Shares in respect of which options are outstanding as at the Latest Practicable Date	Expiry date
<b>Directors</b> Phoon Chiong Kit	25 July 2000	HK\$0.624	5,750,000	5,750,000	24 July 2010
	31 October 2001	HK\$0.496	12,500,000	12,500,000	30 October 2011
	9 December 2004	1. HK\$0.208	6,250,000	6,250,000	30 October 2011
		2. HK\$0.256	6,250,000	6,250,000	30 October 2011
		3. HK\$0.304	6,250,000	6,250,000	30 October 2011
	12 April 2007	1. HK\$0.393	6,500,000	6,500,000	30 October 2011
		2. HK\$0.432	6,500,000	6,500,000	30 October 2011
		3. HK\$0.475	6,500,000	6,500,000	30 October 2011

## LETTER FROM THE CHAIRMAN

Name or category of participant	Date of grant	Exercise price per Share	No. of Shares in respect of which options were granted	No. of Shares in respect of which options are outstanding as at the Latest Practicable Date	Expiry date
David Chan Sik Hong	31 October 2001	HK\$0.496	6,250,000	6,250,000	30 October 2011
Roberta Chin Chow Chung Hang	12 April 2007	HK\$0.393	1,000,000	1,000,000	30 October 2011
Lau Pak Keung <i>(also alternate to Phoon Chiong Kit)</i>	12 April 2007	HK\$0.393	2,000,000	2,000,000	30 October 2011
Eric Norman Kronfeld	31 March 2005	HK\$0.260	350,000	350,000	30 October 2011
	12 April 2007	HK\$0.393	1,500,000	1,500,000	30 October 2011
Paul Ma Kah Woh	31 March 2005	HK\$0.260	350,000	350,000	30 October 2011
	12 April 2007	HK\$0.393	2,000,000	2,000,000	30 October 2011
Frank Lin	31 March 2005	HK\$0.260	350,000	350,000	30 October 2011
	12 April 2007	HK\$0.393	1,000,000	1,000,000	30 October 2011
George Huang Shao-Hua	12 April 2007	HK\$0.393	1,000,000	1,000,000	30 October 2011
Prince Chatrichalerm Yukol	31 March 2005	HK\$0.260	350,000	350,000	30 October 2011
	12 April 2007	HK\$0.393	1,000,000	1,000,000	30 October 2011
<b>Other participants</b>					
In aggregate	12 April 2007	HK\$0.393	9,800,000	9,800,000	30 October 2011
Total			83,450,000	83,450,000	



---

## LETTER FROM THE CHAIRMAN

---

### SPECIAL GENERAL MEETING

A notice convening the Special General Meeting at which an ordinary resolution will be proposed to Shareholders to consider, and if thought fit, to confirm, ratify and approve the conditional grant of an option to Mr. Phoon and all matters relating thereto is set out on pages 10 to 11 of this circular.

A form of proxy for use at the Special General Meeting is also enclosed. Such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you are able to attend the Special General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Special 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.

Mr. Phoon and his associates shall abstain from voting in respect of the ordinary resolution to be proposed at the Special General Meeting. In accordance with the requirements of the Listing Rules, the vote to be taken at the Special General Meeting shall be conducted by poll.

An announcement will be made by the Company following the conclusion of the Special General Meeting to inform you of the results of the Special General Meeting.

### POLL PROCEDURE

Pursuant to bye-law 66 of the bye-laws of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or (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 duly 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 authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized 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; or

---

## LETTER FROM THE CHAIRMAN

---

- (e) if required by the listing rules of any designated stock exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular the omission of which would make any statement in this circular misleading.

### RECOMMENDATION

The Directors are of the opinion that the conditional grant of an option to Mr. Phoon which exceeds the Specified Limit will serve to provide a valuable incentive to Mr. Phoon for his continuing contribution to the Group, and the terms of the conditional option are fair and reasonable. Accordingly, the resolution to be proposed at the Special General Meeting as set out in the notice of the Special General Meeting contained in this circular is in the best interest of the Company and of Shareholders as a whole, and the Directors recommend that you vote in favour of the resolution.

In accordance with Rule 17.04(1), the option has been approved by the independent non-executive directors. Your attention is drawn to the “Letter from the Independent Board Committee” set out on page 9 of this circular, which sets out the recommendation of the Independent Board Committee to Shareholders as to voting in relation to the resolution to be proposed at the Special General Meeting for the confirmation, ratification and approval of the conditional grant of an option to Mr. Phoon.

Yours faithfully,  
on behalf of the Board  
**Raymond Chow Ting Hsing**  
*Chairman*



Golden Harvest

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

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1132)

23 April 2007

*To Shareholders*

Dear Sir/Madam,

### **CONDITIONAL GRANT OF OPTION**

We refer to the circular of Golden Harvest Entertainment (Holdings) Limited (the “Company”) dated 23 April 2007 to shareholders of the Company (the “Circular”) of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

This letter sets out our recommendation to Shareholders as to voting in relation to the resolution to be proposed at the Special General Meeting for the confirmation, ratification and approval of the conditional grant of an option beyond the Specified Limit to Mr. Phoon under the Share Option Scheme (the “Conditional Grant”). Details of the terms of the Conditional Grant are contained in the letter from the Chairman set out on pages 3 to 8 of the Circular.

Having considered Mr. Phoon’s continuing contribution to the Group and taking into account the fact that Mr. Phoon has over the past years served as the Managing Director of the Company and dedicated great efforts towards the development and growth of the Group, and considering also the terms of the Conditional Grant, we consider such terms to be fair and reasonable. We also consider the Conditional Grant to be in the best interest of the Company and of Shareholders as a whole, and accordingly, we recommend Shareholders to vote in favour of the ordinary resolution to be proposed at the Special General Meeting to confirm, ratify and approve the Conditional Grant.

Yours faithfully,  
For and on behalf of  
the Independent Board Committee

**Paul Ma Kah Woh**

*Independent  
non-executive  
Director*

**Frank Lin**

*Independent  
non-executive  
Director*

**George Huang**

**Shao-Hua**  
*Independent  
non-executive  
Director*

**Prince Chatrichalerm**

**Yukol**  
*Independent  
non-executive  
Director*

---

## NOTICE OF SPECIAL GENERAL MEETING

---



**Golden Harvest**

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

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1132)

**NOTICE IS HEREBY GIVEN** that a Special General Meeting (the “Meeting”) of Golden Harvest Entertainment (Holdings) Limited (the “Company”) will be held at 3/F., Tang Room (I), Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on 9 May 2007 at 3:30 p.m., or so soon thereafter as the special general meeting of the Company convened by notice dated 17 April 2007 has concluded or been adjourned, for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolution:

#### **ORDINARY RESOLUTION**

“**THAT** the grant of an option to Mr. Phoon Chiong Kit, the Managing Director of the Company, pursuant to the share option scheme of the Company as described in the circular dated 23 April 2007 issued by the Company to its shareholders, a copy of which will be produced to the Meeting and marked “A” and signed by the Chairman of the Meeting for the purpose of identification, be and is hereby confirmed, ratified and approved and the board of directors of the Company (or an appointed committee thereof) be and is hereby authorised to do all such acts as may be necessary or expedient in order to give full effect to such grant of an option.”

By Order of the Board

**Lee So Ching**

*Company Secretary*

Hong Kong, 23 April 2007

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business in Hong Kong:*

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

---

## NOTICE OF SPECIAL GENERAL MEETING

---

*Notes:*

1. A form of proxy for use at the Meeting is being dispatched to the shareholders of the Company together with a copy of this notice.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any member entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint one or more proxies (if he is the holder of two or more Shares) to attend and vote instead of him. A proxy need not be a member of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the Meeting convened or any adjourned meeting and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
7. MR. PHOON AND HIS ASSOCIATES (AS DEFINED IN THE CIRCULAR) SHALL ABSTAIN FROM VOTING IN RELATION TO THE ORDINARY RESOLUTION AS SET OUT IN THIS NOTICE AT THE MEETING CONVENED BY THE ABOVE NOTICE.