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If you are in any doubt as to any aspect of this document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your securities in Golden Harvest Entertainment (Holdings) Limited, you should at once hand this document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s), licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This document should be read in conjunction with the accompanying Form(s) of Acceptances, the contents of which form part of the terms and conditions of the Offers.

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Skyera International Limited

*(Incorporated in the
British Virgin Islands with limited liability)*

Mainway Enterprises Limited

*(Incorporated in the
British Virgin Islands with limited liability)*

MANDATORY UNCONDITIONAL CASH OFFERS BY



**ON BEHALF OF
SKYERA INTERNATIONAL LIMITED AND MAINWAY ENTERPRISES LIMITED
FOR ALL THE ISSUED SHARES IN,
AND OUTSTANDING CONVERTIBLE NOTES AND SHARE OPTIONS OF,**



Golden Harvest Entertainment (Holdings) Limited

**(OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED BY
SKYERA INTERNATIONAL LIMITED AND MAINWAY ENTERPRISES LIMITED
AND PARTIES ACTING IN CONCERT WITH THEM)**

FINANCIAL ADVISER TO THE OFFERORS



The procedures for acceptance and settlement of the Offers are set out in Appendix I to this document and in the accompanying Forms of Acceptance. Acceptances of the Offers should be received by the Registrar (as regards the Share Offer) or the company secretary of the Company (as regards the Convertible Note Offer and Option Offer) no later than 4:00 p.m. on Thursday, 10 July 2008.

12 June 2008

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EXPECTED TIMETABLE

2008

Offers commence (<i>Note 1</i>)	Thursday, 12 June
Latest time for the posting of the Offeree Document (<i>Note 2</i>)	Thursday, 26 June
Closing Date of the Offers (<i>Note 3</i>)	4:00 p.m. on Thursday, 10 July
Announcement of the results of the Offers uploaded to the Stock Exchange's website	not later than 7:00 p.m. on Thursday, 10 July
Announcement of the results of the Offers appears on Stock Exchange's website and published in the newspapers	Friday, 11 July
Latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offers (<i>Note 4</i>)	Saturday, 19 July

Notes:

1. The Offers are made on 12 June 2008, being the date of posting of the Offer Documents, and are capable of acceptance on and from that date.
2. In accordance with the Takeovers Code, the Company is required to post the Offeree Document to the holders of the Shares, Convertible Notes and Options within 14 days from the posting of the Offer Documents, unless the Executive consents to a later date and the Offerors agrees to extend the Closing Date.
3. In accordance with the Takeovers Code, where the Offeree Document is posted after the date on which the Offer Documents are posted, the Offers must remain open for acceptance for at least 28 days following the date on which the Offer Documents are posted, and accordingly 4:00 p.m. on Thursday, 10 July 2008 is the latest time for acceptance.
4. Remittances in respect of the consideration payable for the Shares, Convertible Notes and Options tendered under the Offers will be posted by ordinary post to the holders of Shares, Convertible Notes and Options accepting the Offers at their own risk as soon as possible, but in any event within 10 days from the date of receipt by the Registrar (as regards the Share Offer) or the company secretary of the Company (as regards the Convertible Note Offer and Option Offer) of all the relevant documents to render the acceptance under the Offers complete and valid.

All times and dates refer to Hong Kong local times and dates.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Acquisitions”	the acquisitions of the Shineidea Sale Shares, Quick Target Conversion Shares, Podar Sale Shares, Oscar Sale Shares, Garex Sale Shares and Garex Conversion Shares by Skyera under the Agreements
“Agreements”	the Shineidea Agreement, Quick Target Agreement, Podar Agreement, Oscar Agreement and Garex Agreement
“AID”	AID Partners Asset Management Ltd., an investment holding limited liability company incorporated in the British Virgin Islands, which primarily makes investments in both listed and non-listed equities in Asia
“Announcement”	the joint announcement dated 28 May 2008 issued by the Offerors and the Company in relation to the voluntary conditional cash offers to be made by Somerley on behalf of the Offerors for all the Shares, Convertible Notes and Options not already owned or agreed to be acquired by the Offerors and parties acting in concert with them in accordance with the Takeovers Code
“Avex”	Avex Group Holdings Inc., a substantial shareholder of CT and a company listed on Tokyo Stock Exchange First Section
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“BCG”	Billion Century Group Limited, a company incorporated in the British Virgin Islands and wholly owned by AID
“ BLUE Form of Acceptance”	the BLUE form of acceptance and transfer of Convertible Notes in respect of the Convertible Note Offer accompanying this document
“Board”	board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	Thursday, 10 July 2008, being the closing date of the Offers

DEFINITIONS

“Company”	Golden Harvest Entertainment (Holdings) Limited, a company incorporated in the Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Agreements
“connected person”	has the meaning ascribed to it in the Listing Rules
“Convertible Notes”	the outstanding convertible notes issued by the Company with principal amount of HK\$30 million which will mature on 21 August 2008
“Convertible Note Offer”	the mandatory unconditional cash offer being made by Somerley on behalf of the Offerors for all outstanding Convertible Notes (other than the CT Note) in accordance with the Takeovers Code
“CT”	Chengtian Entertainment Group (International) Holding Company Limited, a company incorporated in the British Virgin Islands with limited liability which presently holds 31,462,151 Shares of the Company, representing 18.5% of the issued share capital of the Company as at the Latest Practicable Date
“CT Entertainment Group”	CT and its subsidiaries
“CT Note”	the convertible note with a principal amount of HK\$20 million issued by the Company and held by CT which will mature on 21 August 2008
“Directors”	directors of the Company
“Executive”	the executive director of the Corporate Finance Division of the SFC or any delegates of such executive director
“Form(s) of Acceptance”	the WHITE Form of Acceptance, the BLUE Form of Acceptance and the PINK Form of Acceptance
“Garex”	Garex Resources Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Li Ka-shing
“Garex Agreement”	an agreement for the sale and purchase of the Garex Sale Shares and Garex Conversion Shares entered into by Garex and Skyera dated 30 May 2008, completion of which took place on 4 June 2008

DEFINITIONS

“Garex Convertible Note”	the convertible note with a principal amount of HK\$20 million issued by the Company to Garex which was subsequently converted into the Garex Conversion Shares on 4 June 2008
“Garex Conversion Shares”	the 9,090,909 Shares issued by the Company on 4 June 2008 pursuant to the exercise of the conversion right attaching to the Garex Convertible Note
“Garex Sale Shares”	the 18,801,750 Shares acquired by Skyera from Garex under the Garex Agreement
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company to advise the holders of Shares, Convertible Notes and Options (other than the Offerors and parties acting in concert with them) in respect of the Offers
“Last Trading Day”	23 May 2008, being the last trading day of the Shares prior to the publication of the Announcement
“Latest Practicable Date”	10 June 2008, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information for inclusion herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mainway”	Mainway Enterprises Limited, a company incorporated in the British Virgin Islands wholly owned by Mr. Wu and one of the Offerors
“MGO Announcement”	the joint announcement dated 30 May 2008 issued by the Offerors and the Company in relation to the mandatory unconditional cash offers to be made by Somerley on behalf of the Offerors for all the issued Shares and outstanding Convertible Notes and Options other than those already owned or agreed to be acquired by the Offerors and parties acting in concert with them under the Takeovers Code
“Mr. Wu”	Mr. Wu Kebo, Chairman and executive director of the Company and the sole director and ultimate beneficial owner of both of Skyera and Mainway

DEFINITIONS

“Offer Documents”	this document issued by the Offerors to all holders of Shares, Convertible Notes and Options in accordance with the Takeovers Code containing, among other things, the terms of the Offers together with the Forms of Acceptance
“Offer Shares”	the Shares not beneficially owned or agreed to be acquired by the Offerors and parties acting in concert with them
“Offeree Document”	the response document in respect of the Offers to be issued by the Company to all holders of Shares, Convertible Notes and Options in accordance with the Takeovers Code
“Offerors”	Skyera and Mainway
“Offers”	the Share Offer, the Convertible Note Offer and the Option Offer
“Option Offer”	the mandatory unconditional cash offer being made by Somerley on behalf of the Offerors for all outstanding Options in accordance with the Takeovers Code
“Options”	the outstanding options granted by the Company pursuant to the Share Option Scheme
“Oscar”	Oscar Resources Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Li Ka-shing
“Oscar Agreement”	an agreement for the sale and purchase of the Oscar Sale Shares entered into by Oscar and Skyera dated 30 May 2008, completion of which took place on 4 June 2008
“Oscar Sale Shares”	the 330,000 Shares acquired by Skyera from Oscar under the Oscar Agreement
“ PINK Form of Acceptance”	the PINK form of acceptance and cancellation of Options in respect of the Option Offer accompanying this document
“Podar”	Podar Investment Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Li Ka-shing
“Podar Agreement”	an agreement for the sale and purchase of the Podar Sale Shares entered into by Podar and Skyera dated 30 May 2008, completion of which took place on 4 June 2008
“Podar Sale Shares”	the 3,125,000 Shares acquired by Skyera from Podar under the Podar Agreement

DEFINITIONS

“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Quick Target”	Quick Target Limited, a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of Hanny Holdings Limited (“Hanny”) which is an associate of ITC Corporation Limited (“ITC”). Shares of both of Hanny and ITC are listed on the Main Board of the Stock Exchange
“Quick Target Agreement”	an agreement for the sale and purchase of the Quick Target Conversion Shares entered into by Quick Target and Skyera dated 29 May 2008, completion of which took place on 3 June 2008
“Quick Target Convertible Note”	the convertible note with a principal amount of HK\$50 million issued by the Company to Quick Target which was subsequently converted into Quick Target Conversion Shares on 30 May 2008
“Quick Target Conversion Shares”	the 22,727,272 Shares issued by the Company on 30 May 2008 pursuant to the exercise of the conversion right attaching to the Quick Target Convertible Note
“Registrar”	Tricor Tengis Limited, the Hong Kong branch share registrar and transfer office of the Company, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the mandatory unconditional cash offer being made by Somerley on behalf of the Offerors for all of the Offer Shares at the Share Offer Price in accordance with the Takeovers Code
“Share Offer Price”	the price at which the Share Offer is made, being HK\$3.7 per Offer Share
“Share Option Scheme”	the share option scheme adopted by the Company on 28 November 2001
“Shareholders”	holders of Shares
“Share(s)”	ordinary shares of HK\$1.00 each in the issued share capital of the Company

DEFINITIONS

“Shineidea”	Shineidea Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of See Corporation Limited (“See Corporation”). Hanny is a non-wholly owned subsidiary of ITC and it holds indirect interest in See Corporation. See Corporation is therefore an associate of Hanny and ITC. Shares of See Corporation, Hanny and ITC are listed on the Main Board of the Stock Exchange.
“Shineidea Agreement”	an agreement for the sale and purchase of the Shineidea Sale Shares entered into by Shineidea and Skyera dated 29 May 2008, completion of which took place on 3 June 2008
“Shineidea Sale Shares”	the 9,090,909 Shares acquired by Skyera from Shineidea under the Shineidea Agreement
“Skyera”	Skyera International Limited, a company incorporated in British Virgin Islands wholly owned by Mr. Wu and one of the Offerors
“Somerley”	Somerley Limited, a licensed corporation under the SFO permitted to engage in types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) of the regulated activities thereunder and the financial adviser to the Offerors
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 28 May 2008 between Mainway, AID and Mr. Wu pursuant to which AID agreed to subscribe for and Mainway has agreed to issue exchangeable notes of up to an aggregate principal amount of US\$15.5 million
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“ WHITE Form of Acceptance”	the WHITE form of acceptance and transfer of Shares in respect of the Share Offer accompanying this document
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“U.S.” or “United States”	United States of America
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

All time references contained in this document refer to Hong Kong time.

For the purpose of illustration, unless otherwise specified, amounts in the Offer Documents expressed in United State dollars have been translated into Hong Kong dollars at the rate of US\$1.00=HK\$7.75

LETTER FROM SOMERLEY



SOMERLEY LIMITED

10th Floor, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

12 June 2008

To the holders of Shares, Convertible Notes and Options

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
SOMERLEY LIMITED
ON BEHALF OF
SKYERA INTERNATIONAL LIMITED AND MAINWAY ENTERPRISES LIMITED
FOR ALL THE ISSUED SHARES IN,
AND OUTSTANDING CONVERTIBLE NOTES AND SHARE OPTIONS OF,
GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED BY
SKYERA INTERNATIONAL LIMITED AND MAINWAY ENTERPRISES LIMITED
AND PARTIES ACTING IN CONCERT WITH THEM)**

INTRODUCTION

It was jointly announced on 28 May 2008 by the Offerors and the Company that Somerley, as the Offerors' financial adviser, would make the voluntary conditional cash offers on behalf of the Offerors for all the Shares, Convertible Notes and Options not already owned or agreed to be acquired by the Offerors and parties acting in concert with them in accordance with the Takeovers Code.

Shineidea and Quick Target entered into Agreements on 29 May 2008 with Skyera, one of the Offerors. Pursuant to these Agreements, Skyera agreed to acquire 9,090,909 Shineidea Sale Shares from Shineidea and 22,727,272 Quick Target Conversion Shares from Quick Target at HK\$3.7 each. Quick Target exercised the conversion right attaching to its Convertible Note in the principal amount of HK\$50 million and the Quick Target Conversion Shares were issued on 30 May 2008. Completion of these Agreements took place on 3 June 2008.

On 30 May 2008, Podar, Oscar and Garex entered into Agreements with Skyera. Pursuant to these Agreements, Skyera agreed to acquire 3,125,000 Podar Sale Shares from Podar, 330,000 Oscar Sale Shares from Oscar, 18,801,750 Garex Sale Shares and 9,090,909 Garex Conversion Shares from Garex at HK\$3.7 each. Completion of these Agreements took place on 4 June 2008.

LETTER FROM SOMERLEY

As at the dates of the respective Agreements, the Offerors together with parties acting in concert with them held 31,662,151 Shares, representing approximately 19.7% of the then issued share capital of the Company. The Offerors together with parties acting in concert with them also hold the CT Note in the principal amount of HK\$20 million. Immediately after completion of the Agreements, the aggregate shareholdings of the Offerors together with parties acting in concert with them in the Company were increased from 19.7% to 55.9%. As a result of the Acquisitions, the Offerors are required to make mandatory unconditional general offers for all the issued Shares and outstanding Convertible Notes and Options other than those already owned or agreed to be acquired by the Offerors and parties acting in concert with them under Rule 26 of the Takeovers Code.

Besides the HK\$20 million CT Note, the Company has further Convertible Notes outstanding in the total principal amount of HK\$10 million, which will mature on 21 August 2008. All the Convertible Notes had an initial conversion price of HK\$0.22 per Share which was adjusted to its present conversion price of HK\$2.2 per Share following the 10 into 1 share consolidation of the Company which became effective in May 2007. The Company also has outstanding Options in respect of 1.5 million Shares with exercise prices of HK\$2.6 and HK\$3.93 per Share exercisable up to 30 October 2011.

Pursuant to Rule 13 of the Takeovers Code, the Offerors are required to make comparable offers for all the outstanding Convertible Notes and Options as part of the Offers.

This letter sets out the details of the Offers, information on the Offerors and the intention of the Offerors regarding the Group. The terms of the Offers are set out below in this letter and the Form of Acceptances.

Pursuant to the Takeovers Code, the Company will appoint an independent financial adviser to advise the Independent Board Committee and the holders of Shares, Convertible Notes and Options (other than the Offerors and parties acting in concert with them) in respect of the Offers. The Company is required to despatch the Offeree Document to the holders of Shares, Convertible Notes and Options containing, among other things, the respective advice of the Independent Board Committee and the independent financial adviser in respect of the Offers within 14 days after the posting of this document.

LETTER FROM SOMERLEY

THE OFFERS

The Offers, comprising the Share Offer, the Convertible Note Offer and the Option Offer, are being made by Somerley on behalf of the Offerors in compliance with the Takeovers Code on the following bases:

The Share Offer

For each Offer Share HK\$3.7 in cash

The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Latest Practicable Date, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of the Announcement.

The Convertible Note Offer

Offer price for the Convertible Notes HK\$3.7 in cash for each underlying Share which may fall to be allotted and issued upon conversion at the conversion price of HK\$2.2 per Share

By accepting the Convertible Note Offer, the holders will sell the Convertible Notes to the Offerors or their nominee(s) free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attached to them, including the right to interest accrued since the last interest payment date of 21 February 2008.

The Option Offer

For every Option with an exercise price of HK\$2.6 HK\$1.1 in cash

For every Option with an exercise price of HK\$3.93 HK\$0.01 in cash

The Option Offer price of HK\$1.1 for Options with an exercise price of HK\$2.60 represents the difference between the exercise price of HK\$2.60 and the Share Offer Price.

The exercise price for Options of HK\$3.93 is higher than the Share Offer Price and these Options are out of the money. In the circumstances, the corresponding Option Offer is being made only at a nominal price of HK\$0.01 for the cancellation of each corresponding Option.

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

Save for the Convertible Notes and Options as mentioned above, the Company has no outstanding options, warrants or securities convertible into Shares as at the Latest Practicable Date.

LETTER FROM SOMERLEY

The Offers will close on Thursday, 10 July 2008 and will not be extended.

Value of the Offers

As at the Latest Practicable Date, there are 169,637,627 Shares in issue, of which the Offerors together with parties acting in concert with them hold 94,827,991 Shares. On the basis of the Share Offer Price of HK\$3.7, the Share Offer is valued at approximately HK\$276.8 million. Assuming all the outstanding Convertible Notes (excluding the CT Note) are converted and all the outstanding Options were exercised, 6,045,454 new Shares would be issued and the Share Offer would then have a total value of HK\$299.2 million.

Other than the CT Note, the principal amount of the remaining Convertible Notes is HK\$10 million. The Convertible Note Offer is valued in aggregate at HK\$16.8 million.

There are a total of 1,500,000 Options outstanding entitling the holders to subscribe for an aggregate of 70,000 Shares at an exercise price of HK\$2.6 per Share and 1,430,000 Shares at an exercise price of HK\$3.93 per Share under the Share Option Scheme. The total amount required to satisfy cancellation of all the outstanding Share Options is HK\$91,300.

Somerley is satisfied that sufficient financial resources are available to the Offerors to satisfy full acceptance of the Offers. The funding arrangements include a subscription commitment in respect of the exchangeable notes of one of the Offerors by BCG, a wholly owned subsidiary of AID, which is engaged in private equity investment, as set out under the paragraph headed "Structure of the Offerors and funding".

Comparison with market price

The Share Offer Price of HK\$3.7 per Offer Share:

- represents a premium of approximately 14.91% over the average closing price of HK\$3.22 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- represents a premium of approximately 13.85% over the average closing price of HK\$3.25 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- represents a premium of approximately 10.12% over the average closing price of HK\$3.36 per Share as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- represents a premium of approximately 5.71% over the closing price of HK\$3.5 per Share as quoted on the Stock Exchange on the Last Trading Day;
- represents a premium of approximately 1.37% over the closing price of HK\$3.65 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

LETTER FROM SOMERLEY

- represents a premium of approximately 1.65% over the adjusted unaudited consolidated net asset value per Share of approximately HK\$3.64 as at 31 December 2007 on a fully diluted basis, i.e. assuming full conversion of all outstanding Convertible Notes and Options.

Condition of the Offers

The Offers are unconditional. The acceptance form for the Convertible Note Offer has incorporated a conversion notice, in the form set out in the Convertible Notes, to be executed by the noteholders. Upon receipt by the company secretary of the Company of valid acceptances of the Convertible Note Offer and the conversion notice(s) executed by the noteholders, the Company will issue the new Shares in respect of the Convertible Notes received under the Convertible Note Offer to the Offerors. The Company agrees with the adoption of the aforesaid process with regard to the arrangement for the conversion of the Convertible Notes. For holders of the Convertible Notes and the Options who have not delivered executed conversion/exercise notices, completion and return of the relevant form of acceptance and transfer in accordance with the instructions printed thereon would still be considered a valid acceptance of the Convertible Note Offer/Option Offer.

Stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offerors in respect of the relevant acceptances of the Share Offer and the Convertible Note Offer (if applicable), whichever is higher, will be deducted from the amount payable to the relevant holder(s) of Shares and the Convertible Notes on acceptance of the Share Offer and/or the Convertible Note Offer (if applicable). The Offerors will arrange for payment of the stamp duty on behalf of accepting holder(s) of Shares and the Convertible Notes in connection with the acceptance of the Share Offer and the Convertible Note Offer (if applicable) and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptance of the cancellation of the Options.

Payment

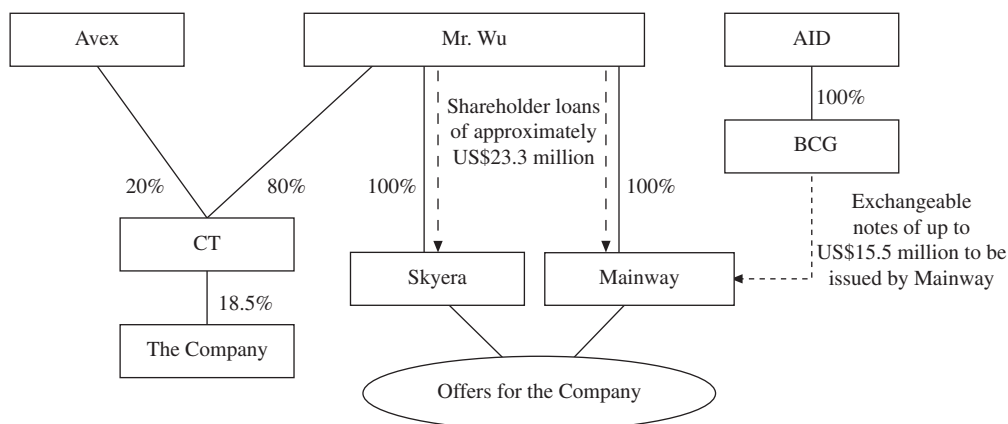
Payment in respect of acceptances of the Offers will be made as soon as possible but in any event within 10 days of the date of receipt of a duly completed acceptance.

Structure of the Offerors and funding

The maximum consideration payable under the Offers is approximately HK\$293.7 million, equivalent to approximately US\$37.9 million, of which approximately US\$23.3 million will be provided by Mr. Wu and the remaining will be financed by a financing arrangement entered into with BCG.

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The shareholding structure of the Offerors and the funding arrangements for the Offers are set out in the chart below:



Mainway and Mr. Wu have entered into a subscription agreement with BCG on 28 May 2008 pursuant to which BCG has agreed to subscribe for and Mainway has agreed to issue exchangeable notes of up to an aggregate principal amount of US\$15.5 million, the exact amount of subscription of exchangeable notes by BCG being dependent on the level of acceptance under the Offers. The proceeds derived by Mainway from the issuance of exchangeable notes to BCG will be used as part of the funding arrangements for the Offers. As at the Latest Practicable Date, AID and BCG hold no Shares or other securities of the Company.

Skyera and Mainway make the Offers jointly. Skyera will take up acceptances under the Offers up to the first US\$9.3 million in value. Mainway will take up the remaining acceptances under the Offers. The exchangeable notes are exchangeable, at the discretion of the noteholder, into Shares to be taken up by Mainway under the Offers. The conversion price will be equivalent to the Share Offer Price.

Repayment of the exchangeable notes is guaranteed by Mr. Wu and further secured by a first charge on shares of Mainway and any Shares acquired by Mainway under the Offers. The charges on shares will be released upon the earlier of (i) full repayment; or (ii) full conversion of the exchangeable notes into Shares held by Mainway.

Save as disclosed above, there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the securities of the Offerors or the Company.

FURTHER TERMS OF THE OFFERS

Further terms and conditions of the Offers, including, among other things, procedures for acceptance and settlement, the acceptance period and taxation matters are set out in Appendix I to this document and in the Forms of Acceptance.

LETTER FROM SOMERLEY

INFORMATION ON THE GROUP

The Group is principally engaged in worldwide film and video distribution, film exhibition in Hong Kong, mainland China, Taiwan and Singapore, and the operation of a film processing business in Hong Kong. According to the latest annual report of the Company, the Group recorded audited net profits of approximately HK\$5.2 million and HK\$96.6 million for the two years ended 30 June 2006 and 30 June 2007, respectively. The significant increase in net profit for the year ended 2007 was mainly due to a one-off gain amounting to HK\$115.9 million on disposal of one of the Group's cinema circuits in Malaysia. According to the interim report of the Company, the Group recorded an unaudited net profit of approximately HK\$3.1 million for the six months period ended 31 December 2007, a fall of 74.3% compared to the same period in 2006. The decrease in net profit resulted from a weaker contribution from the film distribution activities during the period and the revenue forgone from the Malaysian cinema circuit disposed of in the previous year.

The Company has not declared any dividend since 1996.

SHAREHOLDING OF THE GROUP

The shareholdings of the Group, before acceptances of the Offers, are as follows:

Shareholders	Shareholdings as at the date of the MGO Announcement		Immediately after completion of the Acquisitions and as at the Latest Practicable Date		Immediately after conversion of the HK\$20m Convertible Note held by CT	Immediately after conversion of all outstanding Convertible Notes and Options
	No. of Shares (%)	No. of underlying Shares in respect of outstanding Convertible Notes and Options	No. of Shares (%)	No. of underlying Shares in respect of outstanding Convertible Notes and Options	No. of Shares (%)	No. of Shares (%)
CT and concert parties of the Offerors (Note a)	31,662,151 (19.7%)	9,090,909	94,827,991 (55.9%)	9,090,909	103,918,900 (58.1%)	103,918,900 (56.3%)
Mr. Li Ka-shing and his associates (Note b)	22,256,750 (13.9%)	9,090,909	—	—	—	—
Typhoon (Note b)	15,500,000 (9.7%)	4,545,454	15,500,000 (9.1%)	4,545,454	15,500,000 (8.7%)	20,045,454 (10.8%)
ITC Corporation Limited & its associates (Note c)	31,818,181 (19.8%)	—	—	—	—	—
Evenstar (Note d)	15,114,939 (9.4%)	—	15,659,939 (9.3%)	—	15,659,939 (8.8%)	15,659,939 (8.5%)
Other existing Directors (Note e)	200,000 (0.1%)	620,000	200,000 (0.1%)	620,000	200,000 (0.1%)	820,000 (0.4%)
Other optionholders	—	880,000	—	880,000	—	880,000 (0.5%)
Other public Shareholders	43,994,697 (27.4%)	—	43,449,697 (25.6%)	—	43,449,697 (24.3%)	43,449,697 (23.5%)
Total:	<u>160,546,718</u>	<u>24,227,272</u>	<u>169,637,627</u>	<u>15,136,363</u>	<u>178,728,536</u>	<u>184,773,990</u>

LETTER FROM SOMERLEY

Notes:

- (a) Parties acting in concert with the Offerors include Mr. Shen De Min, a Director appointed in March 2008 after CT became a substantial shareholder in October 2007, who holds 200,000 Shares.
- (b) Typhoon Music (PRC) Limited (“Typhoon”) is 50:50 held by EMI Group Plc and Mr. Norman Cheng Tung Hon through their respective wholly owned companies.
- (c) The shares of ITC Corporation Limited are listed on the Main Board of the Stock Exchange and its controlling shareholder is Dr. Chan Kwok Keung, Charles. Upon the exercise of conversion rights attaching to the Quick Target Convertible Note, 22,727,272 Shares were issued on 30 May 2008.
- (d) Evenstar Master Fund Segregated Portfolio Company (“Evenstar”) is an 85% owned subsidiary of Evenstar Capital Management Limited. According to a shareholding disclosure of interests filed to the Stock Exchange on 2 June 2008, Evenstar had acquired a further 545,000 Shares from the market which increased its interest to 15,659,939 Shares, representing approximately 9.3% of the issued share capital of the Company as at the Latest Practicable Date.
- (e) The Shares and Options are held by certain Directors who are not acting in concert with the Offerors.

Save for the 94,827,991 Shares and HK\$20 million CT Note, neither the Offerors nor any parties acting in concert with them hold any Shares or any options, warrants, derivatives or securities which are convertible into Shares.

INFORMATION ON THE OFFERORS AND THEIR CONCERT PARTIES

The Offerors

Both Skyera and Mainway are incorporated in the British Virgin Islands and are wholly owned by Mr. Wu. They are investment holding companies and have not carried on any business activities since their incorporation in April 2008, except in relation to the Offers. As at the Latest Practicable Date, the Offerors have no major assets or liabilities except the Shares acquired under the Agreements and the shareholder loans in the aggregate amount of US\$53.3 million advanced by Mr. Wu to finance the Offers.

Mr. Wu, CT and Avex

Mr. Wu, aged 44, is currently a director of CT which, with its concert parties, forms a group effectively holding approximately 55.9% of the Company and is the owner of CT Note as at the Latest Practicable Date. CT, incorporated in the British Virgin Islands with limited liability, was founded by Mr. Wu in 2004 and is principally engaged in television and film production, music and musical production, artist management and advertising business in the PRC. CT is owned as to 80% by Mr. Wu and 20% by Avex, a company listed on Tokyo Stock Exchange First Section, which is engaged in the communication and content creation business in Japan and overseas. Mr. Wu is the Chairman and an executive director of the Company. He is also the sole director and sole beneficial owner of Skyera and Mainway, the Offerors.

Since founding the CT Entertainment Group in 2004, Mr. Wu has expanded the businesses of CT Entertainment Group into television and film production, music and musical production, artist management and advertising. Mr. Wu introduced Avex as a strategic investor of CT Entertainment Group in 2006.

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Mr. Wu has been involved in high-technology and communications businesses since the 1990s. He served as the managing director of Holdrich Investment Limited, a company incorporated in British Virgin Islands specialising in telecommunications, semiconductor and technology-related industries. Mr. Wu graduated with a Bachelor degree of Business Administration from the SOKA University Japan in 1992. Mr. Wu has not held any directorship in any listed public company other than the Company in the last three years.

AID and BCG

AID is an investment holding company engaged in private equity investment and is wholly owned by AID Partners Capital I, L.P., a limited partnership established in the Cayman Islands (the "AID Fund"). As confirmed by the AID Fund, the current fund-holders of the AID Fund include the general partner, and certain limited partners who are institutional and professional investors. The AID Fund is managed and controlled by the general partner, which is another limited partnership, ultimately controlled by Mr. Kelvin Wu and Mr. Chang Tat Joel.

AID has a size of around US\$130 million, including paid in capital and commitments. Besides involvement in the Offers, AID has committed to and made investments including a minority holding in a bio-fuel producer, whose shares are traded on the New York Stock Exchange.

BCG is incorporated in the British Virgin Islands, is wholly-owned by AID and has not carried on any business activities since its incorporation in January 2008, except for entering into the subscription agreement as described above with Mainway for the purpose of funding the Offers.

CT, Avex, AID and BCG are deemed to be parties acting in concert with the Offerors under the Takeovers Code. Save for the Acquisitions and the acquisition of 30,000 Shares by CT on the market at a price of HK\$2.9 each on 7 April 2008, none of the Offerors and parties acting in concert with them has dealt in any Shares in the period commencing from the date falling six months prior to the date of the Announcement up to the Latest Practicable Date.

As at the Latest Practicable Date, none of the Offerors or parties acting in concert with them has received any irrevocable commitment to accept the Offers.

REASONS FOR THE OFFERS AND OFFERORS' INTENTIONS FOR THE GROUP

Mr. Wu, together with parties acting in concert with the Offerors, currently hold approximately 55.9% of the Company. He considers that the Group's film production, distribution and exhibition businesses in Asia have good potential, although these businesses also face challenges due to factors such as changes in technology and piracy. In view of these challenges and his substantial industry experience particularly in the PRC, Mr. Wu considers that the Company will benefit from the commitment and stability which he can bring as a long term controlling Shareholder. At the same time, Mr. Wu recognises that the Shares are in general thinly traded with the average monthly trading volume of the Shares since January 2008 being below 5% of the public float. The Offers represent an opportunity to holders of the Shares, the Convertible Notes and the Options who wish to exit from their investment.

LETTER FROM SOMERLEY

The Offerors intend that the Group will continue its existing principal activities and will maintain the listing status of the Company on the Stock Exchange after closing of the Offers. The Offerors have no intention to re-deploy the fixed assets of the Group other than in the ordinary course of business. The Offerors intend to continue the employment of the existing employees of the Group.

Mr. Wu has no intention to nominate additional Directors to the Board. An appropriate announcement will be made if there is any proposed change in the composition of the Board and any new appointment of Directors.

The Offerors confirm that there are no agreements or arrangements to which the Offerors are parties which relate to the circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offers.

COMPULSORY ACQUISITION

The Offerors and parties acting in concert with them do not intend to exercise any right which may be available under the provisions of the Companies Act 1981 of Bermuda to acquire compulsorily, after the Offers are closed, any outstanding issued Shares, Convertible Notes or Options not acquired under the Offers.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offerors intend to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offers. The Offerors will undertake to the Stock Exchange to take or procure appropriate steps following the close of the Offers to ensure that not less than 25% of the Shares will be held by the public.

The Stock Exchange has stated that if, upon closing of the Offers, less than 25% of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

So long as the Company remains a listed company, the Stock Exchange will also closely monitor all future acquisitions or disposals of assets of the Company. The Stock Exchange has the discretion to require the Company to issue an announcement and a circular to the Shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of the Company. The Stock Exchange also has the power to aggregate a series of acquisitions or disposals of assets by the Company and any such transactions may result in the Company being treated as if it were a new listing applicant and subject to the requirements for new listing applicants as set out in the Listing Rules.

GENERAL

Acceptance of the Offers by any persons holding Shares and/or Convertible Notes and/or Options will be deemed to constitute a warranty by such person or persons to the Offerors that the Shares

LETTER FROM SOMERLEY

and/or Convertible Notes and/or Options acquired under the Offers are sold by such persons free from all liens, claims, charges, encumbrances, equities and third party rights and together with all rights attaching thereto, including the right to receive all dividends and distributions declared, made or paid on or after date of the Announcement.

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares whose investments are registered in the names of nominees to accept the Share Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Share Offer.

The attention of the holders of Shares, Convertible Notes and Options with a registered address in jurisdiction outside Hong Kong is drawn to the section headed “Overseas holders of Shares, Convertible Notes and Options” in Appendix I to this document.

Stockbrokers, banks and others who deal in relevant securities of the Company on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven-day period is less than HK\$1 million.

This dispensation does not alter the obligation of the principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this document, which form part of this document.

Yours faithfully,
for and on behalf of
SOMERLEY LINTIED
Maggie Chan
Director

1. PROCEDURES FOR ACCEPTANCE

A. The Share Offer

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer, you must send the duly completed and signed **WHITE** Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in any event not later than 4:00 p.m. on the Closing Date.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer whether in full or in part of your Shares, you must either:

- (a) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the **WHITE** Form of Acceptance duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
- (b) arrange for the Shares to be registered in your name by the Company through the Registrar and send the **WHITE** Form of Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or any satisfactory indemnity or indemnities required in respect thereof to the Registrar; or
- (c) if your Shares have been lodged with your licensed securities dealer/custodian bank through CCASS, instruct your licensed securities dealer/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer in your securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/custodian bank as required by them; or
- (d) if your Shares have been lodged with your Investor Participant's Account with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees Limited.

If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer, the **WHITE** Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instruction given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer, you should nevertheless complete and sign the **WHITE** Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to any of Mr. Wu, the Offerors and Somerley, or their respect agent(s), to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificates to the Registrar and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it/they were delivered to the Registrar with the **WHITE** form of Acceptance.

An acceptance of the Share Offer may not be counted as valid unless:

- (a) it is received by the Registrar on or before 4:00 p.m. on the Closing Date and the Registrar has recorded that such acceptance and any relevant documents required under paragraph (b) below have been so received; and
- (b) the **WHITE** Form of Acceptance is duly completed and signed and is:
 - (i) accompanied by Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those Share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Shares in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other sub-paragraph of this paragraph (b)); or
 - (iii) certified by the Registrar or the Stock Exchange.

If the **WHITE** Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

No acknowledgement of receipt of any **WHITE** Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

B. The Convertible Note Offer

- (a) If you accept the Convertible Note Offer, you should complete the **BLUE** Form of Acceptance and the conversion notice attached thereto in accordance with the instructions printed thereon, which form part of the terms and conditions of the Convertible Note Offer.
- (b) The completed **BLUE** Form of Acceptance together with the executed conversion notice attached thereto should be sent, together with any document(s) of title stating the amount of outstanding Convertible Notes in respect of which you intend to accept the Convertible Note Offer, to the company secretary of the Company, 16th Floor, The Peninsula Office Tower, 18 Middle Road, Tsimshatsui, Kowloon, Hong Kong, marked “**Golden Harvest Convertible Note Offer**” on the envelope, as soon as possible and in any event so as to reach the company secretary of the Company at the aforesaid address by no later than 4:00 p.m. on the Closing Date.

C. The Option Offer

- (a) If you accept the Option Offer, you should complete the **PINK** Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms and conditions of the Option Offer.
- (b) The completed **PINK** Form of Acceptance should be sent, together with any document(s) of title stating the number of outstanding Options in respect of which you intend to accept the Option Offer, to the company secretary of the Company, 16th Floor, The Peninsula Office Tower, 18 Middle Road, Tsimshatsui, Kowloon, Hong Kong, marked “**Golden Harvest Option Offer**” on the envelope, as soon as possible and in any event so as to reach the company secretary of the Company at the aforesaid address by no later than 4:00 p.m. on the Closing Date.

2. SETTLEMENT**A. The Share Offer**

Provided that the **WHITE** Form of Acceptance and relevant Share certificate(s) and/or transfer receipt(s) and/or any document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the Registrar by no later than the Closing Date, a cheque for the amount due to each accepting Shareholder in respect of the Shares tendered by him under the Share Offer, less seller's ad valorem stamp duty payable by him, will be despatched to each accepting Shareholder at the address specified on the **WHITE** Form of Acceptance by ordinary post at his own risk as soon as possible but in any event, within 10 days of the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.

B. The Convertible Note Offer

Provided that a valid **BLUE** Form of Acceptance and the relevant certificate of the Convertible Notes are complete and in good order and have been received by the company secretary of the Company not later than the Closing Date, a cheque for the amount due to each of the holders of Convertible Notes in respect of the Convertible Notes surrendered by the relevant holders of Convertible Notes under the Convertible Note Offer will be despatched to each of them as soon as possible but in any event, within 10 days of the date on which all the relevant documents are received by the company secretary of the Company to render such acceptance complete and valid.

C. The Option Offer

Provided that a valid **PINK** Form of Acceptance and the relevant letters of grant of the Options are complete and in good order and have been received by the company secretary of the Company not later than the Closing Date, a cheque for the amount due to each of the holders of Options in respect of the Options surrendered by the relevant holders of Options under the Option Offer will be despatched to each of them as soon as possible but in any event, within 10 days of the date on which all the relevant documents are received by the company secretary of the Company to render such acceptance complete and valid.

Settlement of the consideration to which any accepting holder(s) of Shares, Convertible Notes and Options is/are entitled under the Offers will be implemented in full in accordance with the terms of the Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offerors may otherwise be, or claim to be, entitled against such accepting holder(s) of Shares, Convertible Notes and Options.

3. ACCEPTANCE PERIOD AND REVISIONS

The latest time and date for acceptance will be 4:00 p.m. on the Closing Date.

In order to be valid, the relevant Form(s) of Acceptance for the Offers must be received by the Registrar (as regards the Share Offer) or the company secretary of the Company (as regards the Convertible Note Offer and Option Offer) in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date.

4. ANNOUNCEMENTS

By 6:00 p.m. on the Closing Date, the Offerors must inform the Executive and the Stock Exchange of the expiry of the Offers. The Offerors shall publish an announcement to be posted on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating that the Offers have closed. Such announcement will be published on the next business day in accordance with paragraph (ii) below. The announcement shall specify the number of Shares/Convertible Notes/Options (a) for which valid acceptances have been received, (b) held, controlled or directed by the Offerors or persons acting in concert with them before the period of the Offers; and (c) acquired or agreed to be acquired by the Offerors or any person acting in concert with them during the period of the Offers.

The announcement must specify the percentages of the relevant classes of share capital, and the percentages of voting rights of represented by these numbers of Shares.

5. RIGHT OF WITHDRAWAL

The Offers are unconditional and acceptance of the Offers tendered by the holders of the Shares, Convertible Notes or Options shall be irrevocable and cannot be withdrawn, except in the circumstances set out in Rule 19.2 of the Takeovers Code which is to the effect that if the Offerors are unable to comply with any of the requirements of making announcements relating to the Offers as set out in section 4 of this appendix, the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

6. STAMP DUTY

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offerors in respect of the relevant acceptances of the Share Offer and the Convertible Note Offer (if applicable), whichever is higher, will be deducted from the amount payable to the relevant Shareholder or holder(s) of the Convertible Note on acceptance of the Share Offer and the Convertible Note Offer (if applicable). The Offerors will arrange for payment of the stamp duty on behalf of accepting Shareholders or holder(s) of the Convertible Note in connection with the acceptance of the Share Offer and the Convertible Note Offer (if applicable) and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptance of the cancellation of the Options.

7. TAXATION

Holders of the Shares, Convertible Notes and Options are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their accepting the Offers. None of Mr. Wu, the Offerors and parties acting in concert with them and Somerley or any of their respective directors or any persons involved in the Offers accepts responsibility for any tax effects or liabilities of any person or persons as a result of their acceptance of the Offers.

8. OVERSEAS HOLDERS OF SHARES, CONVERTIBLE NOTES AND OPTIONS

The making of the Offers to persons with a registered address in jurisdiction outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdiction. Holders of Shares, Convertible Notes and Options who are citizens or residents or nationals of jurisdictions outside Hong Kong should obtain appropriate legal advice on, inform themselves about and observe any applicable legal requirement. It is the responsibility of each person who wishes to accept the Offers to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdiction.

For residents of the United States

The Offers are for the securities of a company incorporated in Bermuda and listed on the Stock Exchange and are subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the offer timetable, settlement procedures and timing of payments that differ from those applicable under United States domestic tender offer procedures and law.

It may be difficult for U.S. holders of Shares, Convertible Notes and Options to enforce their rights and any claim arising out of the United States federal securities laws, since the Offerors and some or all of their assets are located outside of the United States, and some or all of their officers and directors are resident outside of the United States. U.S. holders may not be able to sue a foreign company or its officers or directors in a non-U.S. court for violations of the United States securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to the jurisdiction and judgment of a court located within the United States.

To the extent permitted by and subject to applicable laws and regulations (including the Takeovers Code), in accordance with normal Hong Kong practice, the Offerors and their affiliates or any adviser, broker or other person acting as the agent of or on behalf of the Offerors, may from time to time make certain purchases of, or arrangements to purchase, Shares, Convertible Notes and Options outside the United States other than pursuant to the Offers, before or during the period in which the Offers remain open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices (subject to implications under Rule 24 of the Takeovers Code where applicable). Any information about any such purchases will be disclosed as required in Hong Kong and will be available from www.sfc.hk. Information about any such purchases will also be communicated to holders in the United States to the extent that such information is made public in Hong Kong.

This Offer Documents contains forward-looking statements. These statements as they appear throughout this Offer Documents are not guarantees of future performance and are subject to inherent risks and uncertainties. Forward-looking statements may be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as “may”, “will”, “expects”, “believes”, “anticipates”, “plans”, “intends”, “could”, or the negative of such terms, and other variations on such terms or comparable terminology. Forward-looking statements include statements about the expected future business of the Company resulting from and following the Offers. These statements reflect the current expectations of the management of the Offerors based upon information currently available to them and are subject to various assumptions, as well as risks and uncertainties that may be outside of their control. Actual results could differ materially from those expressed or implied in such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made and the Offerors do not undertake any obligation to update or revise such statement, whether as a result of new information, future events or otherwise.

9. GENERAL

- (i) All communications, notices, Forms of Acceptance, certificates of the Shares, Convertible Notes or Options, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the holders of Shares, Convertible Notes or Options will be delivered by or sent to or from them, or their designated agents, through post at their own risk, and none of the Offerors, Somerley, the Registrar or the company secretary of the Company or any of their respective directors or agents, accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (ii) The provisions set out in the Forms of Acceptance form part of the terms of the Offers.
- (iii) The accidental omission to despatch this document and/or the Forms of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (iv) The Offers and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (v) Due execution of a Form of Acceptance will constitute an authority to the Offerors, any director of the Offerors, Somerley or such person or persons as the Offerors may direct, to complete and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offerors, or such person or persons as they may direct, the Shares or the Convertible Notes or the Options in respect of which such person or persons has/have accepted the Offers.
- (vi) References to the Offers in this document and in the Forms of Acceptance shall include any extension and/or revision thereof.
- (vii) The English text of this document and of the Forms of Acceptance shall prevail over their respective Chinese text.

1. RESPONSIBILITY STATEMENT

Mr. Wu, as the director of each of the Offerors, accepts full responsibility for the accuracy of the information contained in this document, except in relation to information on the Group, and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this document have been arrived at after due and careful consideration and there are no facts not contained in this document, the omission of which would make any statement in this document (other than those relating to the Group) misleading.

The information to the Group contained in this document has been taken from the Announcement. The only responsibility accepted by the director of the Offerors in respect of information relating to the Group is to ensure it has been correctly and fairly reproduced or presented.

2. DISCLOSURE OF INTEREST

As at the Latest Practicable Date, the interests of the Offerors and parties acting in concert with them in the Company were as follows:

Name	Capacity	Number of Shares	Number of	Percentage of
			underlying	shareholding in
			Shares	the Company
			(Note)	
Mr. Wu	Interest of controlled corporations	94,627,991	—	55.8%
		—	9,090,909	5.4%
CT Entertainment Group	Beneficial owner	31,432,151	—	18.5%
		—	9,090,909	5.4%
Shen De Min	Beneficial owner	200,000	—	0.1%

Note: The 9,090,909 Shares represent the number of Shares that have to be issued upon exercise of the conversion right attaching to the CT Note held by CT. The CT Note was issued on 21 August 2006 and has a principal amount of HK\$20 million with a conversion price of HK\$2.2 per Shares and will mature on 21 August 2008.

As at the Latest Practicable Date, save as disclosed above, none of the Offerors, their director and their respective parties acting in concert, owned or controlled any Shares, Options, warrants or securities convertible into Shares.

As at the Latest Practicable Date, Somerley and its respective group companies and directors did not have any beneficial interest in any Shares, Options, warrants, or securities convertible into Shares.

As at the Latest Practicable Date, no persons who owned or controlled any interest in the Company had irrevocably committed themselves to accept or, so far as the Offerors were aware, not to accept the Offers.

As at the Latest Practicable Date, save as disclosed in the “Letter from Somerley”, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offerors or with any party acting in concert with the Offerors and there is no agreement, arrangement for or understanding for any transfer, charge or pledge of Shares acquired pursuant to the Offers to any other person.

As at the Latest Practicable Date, there was no agreement or arrangement to which the Offerors and parties acting in concert with them is a party which relate to circumstances in which they may or may not invoke or seek to invoke a condition to the Offers.

3. DEALINGS

Save for the Shineidea Sale Shares, Quick Target Conversion Shares, Podar Sale Shares, Oscar Sale Shares, Garex Sale Shares and Garex Conversion Shares acquired by the Offerors at a price of HK\$3.7 each under the Acquisitions and the acquisition of 30,000 Shares by CT on the market at a price of HK\$2.9 each on 7 April 2008, none of the Offerors, their director and parties acting in concert with them has dealt in any Shares in the period commencing from the date falling six months prior to the date of the Announcement and up to the Latest Practicable Date.

4. MARKET PRICES

The table below shows the closing prices per Share on the Stock Exchange (i) on the Latest Practicable Date; (ii) the Last Trading Day; and (iii) on the last trading day of each of the calendar months during the period commencing 6 months immediately preceding the date of the Announcement and ending on the Latest Practicable Date.

Date	Closing price
30 November 2007	HK\$3.95
31 December 2007	HK\$4.40
31 January 2008	HK\$3.51
29 February 2008	HK\$3.40
31 March 2008	HK\$2.88
30 April 2008	HK\$3.50
29 May 2008	HK\$3.70
The Last Trading Day	HK\$3.50
The Latest Practicable Date	HK\$3.65

The highest and lowest closing price per Share as quoted on the Stock Exchange during the period six months prior to the date of the Announcement up to and including the Latest Practicable Date were HK\$4.73 per Share on 11 December 2007 and HK\$2.81 per Share on 1 April 2008.

5. CONSENTS AND QUALIFICATIONS

Name	Qualification
Somerley Limited	A licensed corporation under the SFO to conduct types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities

Somerley has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

6. MISCELLANEOUS

- (a) As at the Latest Practicable Date, no agreements, arrangements or understandings (including any compensation arrangement) existed between the Offerors or any person acting in concert with them and any of the directors of the Company, recent directors of the Company, and holders or recent holders of Shares, Convertible Notes and Options which are conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers.
- (b) The registered office of the Offerors is situated at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
- (c) The registered office of Somerley is situated at 10th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong.
- (d) As at the Latest Practicable Date, no benefit would be given to any directors of the Company as compensation for loss of office or otherwise in connection with the Offers (save as statutory compensation required under the applicable laws).
- (e) Mr. Wu is the sole shareholder and director of the Offerors.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Huen Wong & Co in association with Fried, Frank, Harris, Shriver & Jacobson LLP, the legal advisers to the Offerors, at 9th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong during 9:00 a.m. to 5:00 p.m. on any weekday, except Saturdays, Sundays and public holidays for so long as the Offers remain open for acceptance:

- (a) memorandum and articles of association of the Offerors;
- (b) the letter from Somerley, the text of which is set out on page 7 to 17 of this document; and
- (c) the Agreements.

Copies of these documents will also be available for inspection on the website at "www.irasia.com/listco/hk/goldenharvest" and the website of the SFC at www.sfc.hk while the Offers remain open for acceptance.