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This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Golden Harvest Entertainment (Holdings) Limited.

Skyera International Limited

(Incorporated in the British Virgin Islands with limited liability)

Mainway Enterprises Limited

(Incorporated in the British Virgin Islands with limited liability)



Golden Harvest Entertainment (Holdings) Limited
(stock code : 1132)

(Incorporated in Bermuda with limited liability)

**JOINT ANNOUNCEMENT
VOLUNTARY CONDITIONAL 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)**

**RESUMPTION OF TRADING
FINANCIAL ADVISER TO THE OFFERORS**



The Offers

The Offerors, which are wholly owned by Mr. Wu, the current Chairman and executive Director of the Company, announce a voluntary conditional cash offer for all the issued Shares, other than those already owned by the Offerors and parties acting in concert with them. As at the date of this announcement, the Offerors together with parties acting in concert with them hold 31,662,151 Shares, representing approximately 23.0% of the existing 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. The Offerors will make the Share Offer at the Share Offer Price of HK\$3.7 in cash for each Offer Share and comparable offers for the outstanding Convertible Notes and Options at appropriate prices in compliance with Rule 13 of the Takeovers Code. As at the date of this announcement, besides the HK\$20 million CT Note, there are HK\$80 million Convertible Notes outstanding and a total of 1,500,000 Options outstanding under the Share Option Scheme.

Based on the existing issued share capital of the Company of 137,819,446 Shares as at the date of this announcement, there are 106,157,295 Offer Shares, representing approximately 77.0% of the existing issued share capital of the Company. The Share Offer together with the Convertible Note Offer and Option Offer are valued at approximately HK\$527.4 million.

Somerley will make the 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. The terms of the Offers are set out under the section headed “The Offers” below. Somerley is satisfied that sufficient financial resources are available to the Offerors to meet acceptances in full of the Offers. Funding for the Offers will be partly financed by way of issuing exchangeable notes up to an aggregate principal amount of US\$15.5 million by one of the Offerors to BCG, a wholly owned subsidiary of AID which is a private equity fund.

General

The offer document containing, among other things, the terms of the Offers, together with the relevant forms of acceptance and transfer, will be despatched to the holders of the Shares, Convertible Notes and Options as soon as practicable, but in any event within 21 days of the date of this announcement or such later date(s) as agreed by the Executive.

An independent financial adviser will be appointed by the Company to advise the independent board committee and the independent shareholders of the Company in respect of the Offers. A further announcement will be made by the Company upon the appointment of the independent financial adviser.

Suspension and resumption of trading

At the request of the Company, trading in the Shares has been suspended with effect from 9:46 a.m. on Monday, 26 May 2008 pending release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Thursday, 29 May 2008.

THE OFFERS

Somerley, as the Offerors' financial adviser, will 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.

As at the date of this announcement, the Offerors together with parties acting in concert with them hold 31,662,151 Shares, representing approximately 23.0% of the existing issued share capital of the Company. CT also holds a Convertible Note in the principal amount of HK\$20 million with a present conversion price of HK\$2.2 per Share which will mature on 21 August 2008. Save for the above, the Offerors and parties acting in concert with them do not have any other holdings in the Company.

Besides the HK\$20 million CT Note, GH has further Convertible Notes outstanding in the total principal amount of HK\$80 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 GH which became effective in May 2007. GH 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.

The Offers will be made on the following bases :

The Share Offer

For each Offer ShareHK\$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 date of this announcement, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of this 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\$2.6HK\$1.1 in cash

For every Option with an exercise price of HK\$3.93HK\$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 the Options are out of the money. In the circumstances, the 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 date of this announcement.

Value of the Offers

As at the date of this announcement, there are 137,819,446 Shares in issue, of which the Offerors together with parties acting in concert with them hold 31,662,151 Shares. On the basis of the Share Offer Price of HK\$3.7, the Share Offer is valued at approximately HK\$392.8 million. Assuming all the outstanding Convertible Notes (excluding the CT Note) are converted and all the outstanding Options were exercised, 37,863,635 new Shares would be issued and the Share Offer would then have a total value of HK\$532.9 million.

Other than the CT Note, the principal amount of the remaining Convertible Notes is HK\$80 million. The Convertible Note Offer is valued in aggregate at HK\$134.5 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; and
- 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.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares quoted on the Stock Exchange during the six-month period preceding the Last Trading Day were HK\$4.73 per Share on 11 December 2007 and HK\$2.81 per Share on 1 April 2008 respectively.

Conditions of the Offers

The Share Offer will be conditional upon the Offerors having received acceptances of the Offers which, together with (i) the Shares already owned or acquired or agreed to be acquired by the Offerors and parties acting in concert with them before or during the offer period of the Offers, and (ii) valid acceptances of the Convertible Note Offer (which will incorporate a conversion notice to the Company, in the form set out in the Convertible Notes, to be executed by the noteholders), will result in the Offerors and parties acting in concert with them holding more than 50% of the voting rights attributable to the issued Shares in the capital of the Company at the time (the “Condition”) the Share Offer becomes unconditional (including any voting rights attributable to Shares unconditionally issued or to be issued pursuant to the valid exercise of any outstanding Options, and/or the valid conversion of any outstanding Convertible Notes at such time). The acceptance form for the Convertible Note Offer will incorporate a conversion notice, in the form set out in the Convertible Notes, to be executed by the noteholders. Upon the Offers becoming unconditional, the Offerors will notify the Company of their receipt of valid acceptances of the Convertible Note Offer and release the conversion notice(s) executed by the noteholders to the Company. On receipt of the said conversion notice(s) from the Offerors, 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 for the aforesaid process with regards 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 notice, their completion and return of the relevant form of acceptance and transfer in accordance with the instructions printed thereon would still be considered as a valid acceptance of the Convertible Note Offer/Option Offer. If the Offerors do not receive acceptances of the Offers which meet the Condition, the Offers will not become unconditional and will lapse.

The Convertible Note Offer and the Option Offer are conditional only on the Share Offer becoming unconditional in all respects.

Completion of the Offers is subject to the conditions set out above and the Offers may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise extreme caution when trading in the securities of the Company.

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, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Share Offer or the Convertible Note Offer. The Offerors will arrange for payment of the stamp duty on behalf of accepting Shareholders in connection with the acceptance of the Share Offer or the Convertible Note Offer and the transfer of the Offer Shares.

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

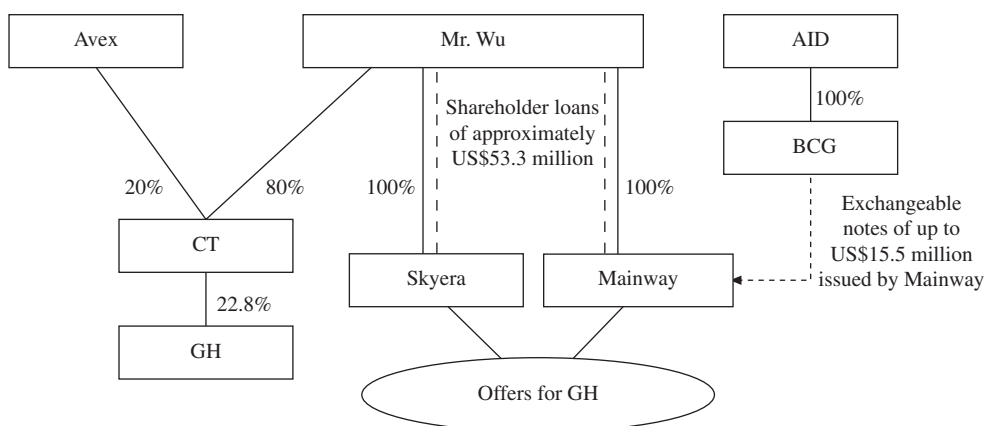
Payment

Provided that the Offers have become, or have been declared, unconditional, payment in respect of acceptances of the Offers will be made as soon as possible but in any event within 10 days of the later of the date on which the Offers become, or are declared, unconditional and the date of receipt of a duly completed acceptance. Such information will be contained in detail in the Offer Document.

Structure of the Offerors and funding

The maximum consideration payable under the Offers is approximately HK\$532.9 million, equivalent to approximately US\$68.8 million, of which approximately US\$53.3 million will be provided by Mr. Wu and the remaining will be financed by a financing arrangement entered into with BCG.

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 date hereof, AID and BCG hold no Shares or other securities of the Company.

Skyera and Mainway will make the Offers jointly. Skyera will take up acceptances under the Offers up to the first US\$39.3 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.

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 GH, 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 GH, 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

Shareholders	Existing holdings		Immediately	Immediately
	No. of Shares (%)	No. of underlying Shares in respect of outstanding Convertible Notes and Options	conversion of the HK\$20m Convertible Note held by CT No. of Shares (%)	after conversion of all outstanding Convertible Notes and Options No. of Shares (%)
CT and concert parties of the Offerors (<i>Note a</i>)	31,662,151 (23.0%)	9,090,909	40,753,060 (27.7%)	40,753,060 (22.1%)
Mr. Li Ka-shing and his associates	22,256,750 (16.1%)	9,090,909	22,256,750 (15.1%)	31,347,659 (17.0%)
Typhoon (<i>Note b</i>)	15,500,000 (11.2%)	4,545,454	15,500,000 (10.6%)	20,045,454 (10.8%)
ITC Corporation Limited & its associates (<i>Note c</i>)	9,090,909 (6.6%)	22,727,272	9,090,909 (6.2%)	31,818,181 (17.2%)
Evenstar (<i>Note d</i>)	15,114,939 (11.0%)	—	15,114,939 (10.3%)	15,114,939 (8.2%)
Other existing Directors (<i>Note e</i>)	200,000 (0.2%)	620,000	200,000 (0.1%)	820,000 (0.4%)
Other optionholders	—	880,000	—	880,000 (0.5%)
Other public Shareholders	43,994,697 (31.9%)	—	43,994,697 (30.0%)	43,994,697 (23.8%)
Total:	<u>137,819,446</u>	<u>46,954,544</u>	<u>146,910,355</u>	<u>184,773,990</u>

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 Mr. Chan Kwok Keung, Charles.
- (d) Evenstar Master Fund Segregated Portfolio Company (“Evenstar”) is an 85% owned subsidiary of Evenstar Capital Management Limited. On 14 April 2008, Evenstar increased its shareholding in GH to 11.0% and became a substantial shareholder of GH.
- (e) 200,000 Shares and 620,000 Options are held by certain Directors who are not acting in concert with the Offerors.

Except for the 31,462,151 Shares and HK\$20 million Convertible Notes held by CT and 200,000 Shares held by a Director appointed to the Board after CT became a substantial Shareholder who is acting in concert with the Offerors, 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 date of this announcement, the Offerors have no major assets or liabilities except 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 is a 22.8% shareholder of GH and the owner of CT Note as at the date of this announcement. CT, incorporated in the British Virgin Islands with limited liability, was founded by Mr. Wu in 2004 and principally engages 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 engages in communication and content creation business in both Japan and overseas. Mr. Wu is the Chairman and an executive director of GH. He is also the sole director and sole beneficial owner of Skyera and Mainway.

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.

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 GH 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 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 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 this announcement.

As at the date of this announcement, 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 23.0% of the Company and would like to increase this to a controlling shareholding to be held for long term. 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 Shareholders who wish to exit from their investment.

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 employees or the fixed assets of the Group other than in the ordinary course of business.

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.

MAINTAINING THE LISTING STATUS OF THE COMPANY

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

Offer Document

The Offer Document containing details of, among other things, the full terms and conditions of the Offers, together with the relevant forms of acceptance and transfer, will be despatched to the holders of the Shares, Convertible Notes and Options as soon as practicable, but in any event within 21 days of the date of this announcement or such later date(s) as agreed by the Executive.

Appointment of independent financial adviser

An independent financial adviser will be appointed by the Company to advise the independent board committee and the independent shareholders of the Company in respect of the Offers. A further announcement will be made by the Company upon the appointment of the independent financial adviser.

Availability of the Offers

The Offer Document will be sent to holders of Shares, Convertible Notes and Options, including those with a registered address outside Hong Kong. The availability of the Offers to persons not resident in Hong Kong, however, may be affected by the applicable laws of the jurisdictions in which such persons are resident. Persons not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions. The Offerors reserve the right, subject to receipt of the necessary waivers from the Executive under note 3 to Rule 8.1 of the Takeovers Code, not to despatch the Offer Document to such overseas holders where compliance with relevant laws may be unduly burdensome.

The Offerors reserve the right to notify any matter, including the making of the Offers, to the holders of Shares, Convertible Notes and Options having a registered address outside Hong Kong by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction of which such holders are resident. The notice will be deemed to have been sufficiently given, despite any failure by such holders to receive or see that notice.

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 announcement contains forward-looking statements. These statements as they appear throughout this announcement 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.

DEALINGS DISCLOSURE

The associates of the Offerors are reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

Stockbrokers, banks and others who deal in relevant securities 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 its 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.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:46 a.m. on Monday, 26 May 2008 pending release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Thursday, 29 May 2008.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“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
“Avex”	Avex Group Holdings Inc., a substantial shareholder of CT and a company listed on Tokyo Stock Exchange First Section
“BCG”	Billion Century Group Limited, a company incorporated in the British Virgin Islands and wholly-owned by AID
“Board”	board of Directors
“Company”/ “GH”	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
“Convertible Notes”	convertible notes issued by GH with a principal amount of HK\$100 million which will mature on 21 August 2008
“Convertible Note Offer”	the conditional cash offer to be 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 (22.8%) of GH
“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
“Group”	GH and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	23 May 2008, being the last trading day of the Shares prior to the publication of this announcement
“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 and wholly owned by Mr. Wu
“Mr. Wu”	Mr. Wu Kebo, Chairman and executive director of GH and the sole director and ultimate beneficial owner of both of Skyera and Mainway
“Offer Document”	the offer document to be issued on behalf of the Offerors to all holders of Shares, Convertible Notes and Options in accordance with the Takeovers Code containing, among other things, the terms and conditions of the Offers
“Offer Shares”	the Shares not beneficially owned or agreed to be acquired by the Offerors and parties acting in concert with them
“Offerors”	Skyera International Limited and Mainway Enterprises Limited

“Offers”	the Share Offer, the Convertible Note Offer and the Option Offer
“Option Offer”	the cash offer to be made by Somerley on behalf of the Offerors for all outstanding Options in accordance with the Takeovers Code
“Options”	the outstanding options granted by GH pursuant to the Share Option Scheme
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“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 voluntary conditional cash offer to be made by Somerley on behalf of the Offerors for all of the Offer Shares in accordance with the Takeovers Code
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$3.7 per Offer Share
“Share Option Scheme”	the share option scheme adopted by GH 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
“Skyera”	Skyera International Limited, a company incorporated in British Virgin Islands and wholly owned by Mr. Wu
“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
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“U.S” or “United States”	United States of America
“US\$”	United States dollars, the lawful currency of the United States
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For the purposes of illustration, unless otherwise specified, amounts in this announcement expressed in United States dollars have been translated into Hong Kong dollars at the rate of US\$1.00 = HK\$7.75.

By order of the board of directors of
Skyera International Limited
Mr. Wu Kebo
Director

By order of the board of directors of
Mainway Enterprises Limited
Mr. Wu Kebo
Director

By order of the board of directors of
Golden Harvest Entertainment (Holdings) Limited
Mr. Lau Pak Keung
Director

Hong Kong, 28 May 2008

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Group and confirm having made all reasonable enquiries that, to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement relating to the Group in this announcement misleading.

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

As at the date of this announcement, the directors of the Company are :

Chairman and Executive Director :

Mr. Wu Kebo

Executive Directors :

Mr. Chow Siu Hong

Mr. Shen De Min

Ms. Fiona Chow Sau Fong

(also alternate to Mr. Chow Siu Hong)

Mr. Lau Pak Keung

Ms. Wang Wei

Ms. Wu Keyan

(alternate to Mr. Wu Kebo)

Non-executive Directors :

Mr. Eric Norman Kronfeld

Mr. Takashi Araki

Independent non-executive Directors :

Mr. Leung Man Kit

Mr. George Huang Shao-Hua

Prince Chatrichalerm Yukol