

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



MANDARIN ENTERTAINMENT (HOLDINGS) LIMITED
(東方娛樂控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 009)

DISCLOSURE PURSUANT TO RULE 13.16 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.16 of the Listing Rules to disclose the details of financial assistance given to affiliated company of the Company as at 31st December 2004.

As at 31st December 2004, the financial assistance given by the subsidiaries of Mandarin Entertainment (Holdings) Limited (the "Company", which together with its subsidiaries are referred to as "the Group") as advances to an affiliated company amounted to HK\$10,927,000 (the "Advances"). The Advances represented approximately 8.8% of the Group's total assets of HK\$124,456,000 as at 31st December 2004 (before taking into account the allowance for the Advances) as disclosed in the Company's annual report (the "2004 Annual Report") for the year ended 31st December 2004, being the Company's latest published accounts dispatched to its shareholders on 29th April 2005.

In accordance with Rule 13.16 of the Listing Rules, the details of the Advances granted by the Group to its affiliated company as at 31st December 2004 are set out as follows:

Name of affiliated company	Attributable interest held by the Group	Advances	Committed capital injection
Prosper China Limited	40%	HK\$10,927,000	nil

The Advances were interest free, unsecured and had no fixed terms of repayment, and were funded by internal resources and bank borrowings. As disclosed in the 2004 Annual Report, the Company has provided for allowance to the Advances. The Group has not given any guarantee for banking facilities to this affiliated company.

The purpose of the Advances is to provide funding for a jointly controlled entity in the PRC, the registered capital of which is held by Prosper China Limited. The jointly controlled entity is mainly engaged in the provision of cultural education courses. The directors (the "Directors") of the Company considered that the set up and operation of this jointly controlled entity could help strengthen the Group's business development in the PRC market. The allowances made on the Advances is the provision for the investment on the jointly controlled entity as stated in the 2004 Annual Report. Save as aforesaid, the Directors are not aware of other related matters discloseable under the Listing Rules.

The Company will comply with the relevant disclosure requirements in relation to such financial assistance under the Listing Rules for so long as circumstances giving rise to such disclosure obligations continue to exist.

As at the date of this announcement, the three executive directors of the Company are Mr. WONG Pak Ming, Ms. WONG Kit Fong and Ms. WONG Yee Kwan, Alvina and three independent non-executive directors are Mr. WAN Ngar Yin, David, Mr. LAI Voon Wai and Mr. Alan WOO.

By Order of the Board
WONG Pak Ming
Chairman

Hong Kong, 5th May 2005

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.