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MANDARIN ENTERTAINMENT (HOLDINGS) LIMITED
東方娛樂控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 0009)

DISCLOSABLE TRANSACTION

The Board of the Company announces that Grimston Limited, a wholly owned subsidiary of the Company, has disposed of 15,976,000 shares in Jade Dynasty (comprising approximately 1.72% of the issued share capital of Jade Dynasty as at the date hereof) during the period from 2 March 2006 to 8 September 2006 for an aggregate consideration of approximately HK\$10,699,440.00 resulting in a profit of approximately HK\$5,040,387.00. After the Disposals, the Group's shareholding in Jade Dynasty is reduced to 5,581,575 shares.

The Disposals constitutes a disclosable transaction for the Company under the Listing Rules. Further details of the Disposals will be included in a circular to be despatched to the shareholders of the Company.

DISPOSALS OF THE SHARES OF JADE DYNASTY

The Board of the Company announces that Grimston Limited, a wholly owned subsidiary of the Company, has disposed of 15,976,000 shares in Jade Dynasty (comprising approximately 1.72% of the issued share capital of Jade Dynasty as at the date hereof) at the disposal price ranging from HK\$0.58 per share to HK\$0.82 per share through securities brokerage firms to Independent Third Parties during the period from 2 March 2006 to 8 September 2006 for an aggregate consideration of approximately HK\$10,699,440.00. Prior to the Disposals, Grimston Limited was holding 18,757,575 shares in Jade Dynasty, representing 2.02% of the issued share capital of Jade Dynasty as at the date hereof. The Disposals were conducted through securities brokerage firms for commission. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the securities brokerage firms and purchasers are Independent Third Parties.

After the Disposals, the Group's shareholding in Jade Dynasty is reduced to 5,581,575 shares, representing approximately 0.6% of the issued share capital of Jade Dynasty as at the date hereof. The Group may or may not dispose of further Jade Dynasty shares depending on market conditions prevailing at the time.

Jade Dynasty is principally engaged in the publication of comic books and multimedia development.

The audited net profits before and after taxation and extraordinary items for Jade Dynasty in respect of the two financial years ended 31 March 2005 and 2006 are as follows:

Year ending	Before Tax and Extraordinary Items	After Tax and Extraordinary Items
31 March 2005	HK\$13,827,000.00	HK\$14,689,000.00
31 March 2006	HK\$15,258,000.00	HK\$13,538,000.00

The net current asset value and net asset value of Jade Dynasty as at 31 March 2006 are HK\$58,577,000.00 and HK\$188,163,000.00 respectively.

REASONS FOR DISPOSALS OF SHARES

The Group is principally engaged in the films production business and the Shares were held by the Group as available-for-sale investments. As at 31 December 2005, the carrying value of available-for-sale investments was approximately HK\$7,221,000.00.

The aggregate consideration of approximately HK\$10,699,440.00, which was reached after taking into account the market conditions prevailing at the respective relevant times, is being or is to be credited into Grimston Limited's accounts at the respective securities brokerage firms two days after the relevant transactions took place.

The Directors (including the independent non-executive Directors) are of the view that the Disposals were in the interest of the Group and the terms of the Disposals were in normal commercial terms, which were fair and reasonable and in the interests of the shareholders of the Company as a whole as it provides an opportunity to the Group in realizing the Shares with a profit. The Board considered the Disposals represented good opportunities for the Group to realize a gain. The Disposals resulted in a profit of approximately HK\$5,040,387.00 and will contribute to the cash flow of the Group. The proceeds of approximately HK\$10,699,440.00 arising from the Disposals will be used by the Group as its working capital.

GENERAL

The Disposals constitutes a disclosable transaction for the Company under the Listing Rules. A circular containing further information in relation to the Disposals will be sent to shareholders as soon as practicable.

As at the date hereof, the Board consists of Mr. Wong Pak Ming, Ms. Wong Kit Fong, Ms. Wong Yee Kwan, Alvina and Mr. Ko Tin Chow as executive directors; Mr. Wan Ngar Yin, David, Mr. Lai Voon Wai and Mr. Tang Kai Kui, Terence as independent non-executive directors.

DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Mandarin Entertainment (Holdings) Limited;
“Directors”	the directors of the Company;
“Disposals”	the series of disposals of an aggregate of 15,976,000 Shares by the Group to Independent Third Parties through securities brokerage firms during the period from 2 March 2006 to 8 September 2006 for an aggregate consideration of approximately HK\$10,699,440.00;
“Group”	the Company and its subsidiaries;
“Independent Third Parties”	third parties independent of and not connected with the Company or its connected persons (as defined in the Listing Rules);
“Jade Dynasty”	Jade Dynasty Group Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Shares”	shares of Jade Dynasty, which are listed on the Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

By Order of the Board
Mandarin Entertainment (Holdings) Limited
Wong Pak Ming
Chairman

Hong Kong, 14 September 2006

* *For identification purpose only*

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