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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: 00009)

PROFIT WARNING

This announcement is made by the Company pursuant to Rules 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that, it is expected to incur a substantial loss for the financial year ended 31 December 2008. The loss for the Group is mainly attributable to (i) the possible impairment loss due to decrease in revaluation on the fair value of the investment property in the PRC; (ii) the possible impairment loss on the fair value of investment in jointly controlled entities and film rights of certain films of the Group; (iii) realised losses on disposal of Hong Kong listed shares; and (iv) decrease in revenue due to the unexpected market situation relating to the film distribution.

This announcement is only based on the preliminary assessment by the management of the Company in accordance with the unaudited management accounts of the Group. The actual audited consolidated financial results of the Group for the year ended 31 December 2008 have not been finalised and are subject to confirmation with the auditors of the Company. The results announcement of the Company for the year ended 31 December 2008 is expected to be released on or before 30 April 2009. Shareholders and investors are advised to read the results announcement carefully.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Mandarin Entertainment (Holdings) Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, it is expected that the Group may record substantial losses for the financial year ended 31 December 2008. The loss for the Group is mainly attributable to the followings:

- (i) the possible impairment loss due to decrease in revaluation on the fair value of the investment property in the People’s Republic of China (the “**PRC**”);
- (ii) the possible impairment loss on the fair value of investment in jointly controlled entities and film rights of certain films of the Group;
- (iii) realised losses on disposal of Hong Kong listed shares; and
- (iv) decrease in revenue due to the unexpected market situation relating to the film distribution.

The Board is of the view that the overall operations and financial position of the Group as a whole remains sound and solid.

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Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Mandarin Entertainment (Holdings) Limited
Lai Pik Chi Peggy
Chairman

Hong Kong, 19 February 2009

As at the date of this announcement, the Board comprises eight Directors. The executive Directors are Ms. Lai Pik Chi, Peggy (Chairman), Ms. Law Kee Alice (Chief Executive Officer), Mr. Kwok Tsz Wing (Deputy Chairman), Mr. Wong Pak Ming and Ms. Wong Yee Kwan, Alvina; and the independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Tsui Pui Hung and Mr. Chan Tung Tak, Alain.

* *for identification purpose only*