



VILLAGE ROADSHOW LIMITED

Web Site: www.villageroadshow.com.au

22 March 2000

Village Roadshow Announces its Intention to Sell its Stake in Golden Harvest

Village Roadshow announced today that it had signed a conditional agreement to sell its stake in Golden Harvest Entertainment (Holdings) Limited to Lai Sun Hotels International Limited at a price of HK\$1.28 per share.

Village Roadshow currently holds shares representing 34.77% in aggregate of the issued share capital of Golden Harvest which has been built up since the mid nineties.

Consistent with the concert party arrangements between Village Roadshow and Mr Raymond Chow (the founder and Chairman of Golden Harvest), sale of the shares is conditional on Mr Chow and his associates giving consent to the deal. Mr Chow has indicated to the Golden Harvest Board that he is currently considering his position and has yet to reach a decision.

Announcement of the agreement follows a decision in February by Golden Harvest and Village Roadshow to restructure their combined Asian operations. As part of the transaction Village Roadshow:

- acquired Golden Harvest's 25% South Korean joint venture interest;
- acquired Golden Harvest's 25% Thailand joint venture interest; and
- restructured Golden Harvest's Hong Kong cinemas, transferring three sites to City Entertainment, a 50/50 joint venture between Village Roadshow and Golden Harvest.

Village Roadshow Managing Director Mr Graham Burke said 'We have a great relationship with Golden Harvest; they have helped us establish a footprint in Asia and understand how to do business across the region. However, Village Roadshow is now totally focused on its core businesses of Exhibition, Production, Radio and Theme Parks and continuing to hold shares in Golden Harvest is not consistent with our plans.'

While planning to exit its equity position, Village Roadshow will continue to maintain a strong relationship with Golden Harvest with its current exhibition joint ventures in Hong Kong, Singapore and Malaysia.

'This transaction will allow Village Roadshow to divert its resources into territories such as South Korea and Greece that are showing enormous potential.' Mr Burke added.

Completion of the sale of shares in Golden Harvest would realise cash for Village Roadshow of HK\$304.3 million (approximately A\$ 64.2 million).

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Village Roadshow Limited

Village Roadshow is one of Australia's premier media and entertainment companies with divisions in Cinema Exhibition, Movie Production and Distribution, Radio and Theme Parks. In Exhibition Village Roadshow operates over 1,600 cinemas in 20 countries.

On 9 March, Village Roadshow announced a profit after tax for the half-year to December 1999 of \$40.6 million a 12.2% increase on the previous corresponding period.

Lai Sun Hotels International

Lai Sun Hotels International is a member of the Lai Sun Group and is listed on the Hong Kong Stock Exchange. The company has interests in hotel properties in Hong Kong, Asia and North America as well as interests in hotel management groups with activities throughout Asia.

Lai Sun Hotels has recently announced that it is moving into ecommerce with the establishment of a 50/50 joint venture with Lai Sun Development to acquire 50% of hkatv.com from Asia Television Limited. Lai Sun Hotels has also indicated its intention to change its name to eSun.com Holdings Limited.