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Right Opportune Limited

*(Incorporated in the British Virgin Islands
with limited liability)*

Milkyway Image Holdings Limited

銀河映像控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

JOINT ANNOUNCEMENT

**(1) Despatch of composite offer and response document
in relation to mandatory conditional cash offer by**



Kingston Securities Limited

on behalf of

Right Opportune Limited

for all the issued shares in Milkyway Image Holdings Limited

(other than those already owned by

Right Opportune Limited and/or parties acting in concert with it)

and

(2) appointment of executive directors

and change of authorised representative and compliance officer

FINANCIAL ADVISER TO RIGHT OPPORTUNE LIMITED



Kingston Corporate Finance Limited

**INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE OF
MILKYWAY IMAGE HOLDINGS LIMITED**



PLATINUM
Securities

The composite offer and response document containing, among other things, the details of the Share Offer, the advice of Platinum, the independent financial adviser to the independent board committee of Milkyway Image, and the recommendation and advice from the independent board committee of Milkyway Image to the independent shareholders of Milkyway Image in respect of the Share Offer, together with the forms of acceptance and transfer of Shares under the Share Offer, were despatched to the shareholders of Milkyway Image on 9 October 2003 in accordance with the Takeovers Code.

With effect from 9 October 2003, Mr. To has resigned as the chairman of Milkyway Image and he remains as the executive Director of Milkyway Image. Mr. Ng Hung Keung and Ms. Chan Dao Ho have also resigned as the authorised representatives of Milkyway Image and Ms. Chan Dao Ho has resigned as the compliance officer of Milkyway Image.

Mr. Law has been appointed as the chairman, executive director, authorised representative and compliance officer of Milkyway Image. Ms. Teng Chia Lin, Chialina has been appointed as an executive director of Milkyway Image. Mr. Siu Yun Tang, the company secretary and qualified accountant of Milkyway Image, has been appointed as the authorised representative of Milkyway Image. Each of such appointments took effect from 9 October 2003.

Reference is made to the joint announcement made by the respective boards of directors of Milkyway Image and Right Opportune dated 10 September 2003 (the "Joint Announcement"). Terms used in this announcement shall have the same meanings as those defined in the Joint Announcement unless defined otherwise herein.

DESPATCH OF COMPOSITE OFFER AND RESPONSE DOCUMENT

The composite offer and response document containing, among other things, the details of the Share Offer, the advice of Platinum, the independent financial adviser to the independent board committee of Milkyway Image, and the recommendation and advice from the independent board committee of Milkyway Image to the independent shareholders of Milkyway Image in respect of the Share Offer, together with the form of acceptance and transfer of Shares under the Share Offer, were despatched to the shareholders of Milkyway Image on 9 October 2003 in accordance with the Takeovers Code. Independent shareholders of Milkyway Image are encouraged to read the composite offer and response document carefully, including the advice of Platinum, the independent financial adviser to the independent board committee of Milkyway Image, and the recommendation and advice of the independent board committee of Milkyway Image to the independent shareholders of Milkyway image in respect of the Share Offer, before deciding whether or not to accept the Share Offer.

Unless the Share Offer has previously been declared unconditional, revised or extended, the latest time and date for acceptance of the Share Offer will be 4:00 p.m. on Thursday, 30 October 2003. The Share Offer is conditional upon Right Opportune having received acceptance in respect of Shares, which together with Shares already held by it and parties acting in concert with it before and during the Share Offer, will result in Right Opportune and parties acting in concert with it holding more than 50% of the voting rights of Milkyway Image. Pursuant to the Takeovers Code, where the Share Offer is declared unconditional, it will remain open for acceptance for not less than 14 days thereafter. Right Opportune will make an announcement as and when the Share Offer has become unconditional. The Share Offer will close at 4:00 p.m. on Thursday, 30 October 2003 unless the Share Offer has previously been declared unconditional, revised or extended. Right Opportune will issue a teletext announcement through the Stock Exchange by 7:00 p.m. on the closing day of the Share Offer, stating whether the Share Offer has expired or has been revised or extended or has become or been declared unconditional. Such announcement will be republished on the GEM website at www.hkgem.com on the next business day. If Right Opportune decides to extend or revise the Share Offer, the announcement of such extension or revision will state the next closing date or that Share Offer will remain open until further notice. The Share Offer will then remain open for acceptance for at least 14 days.

CHANGE OF AUTHORISED REPRESENTATIVES AND COMPLIANCE OFFICER AND APPOINTMENT OF EXECUTIVE DIRECTORS

Except for Mr. To, all existing executive directors of Milkyway Image, namely Mr. Ng Hung Keung and Ms. Chan Dao Ho, will resign and such resignation will take effect on the first closing date of the Share Offer or the date when the Share Offer becomes or is declared unconditional, whichever is later, subject to full compliance with Rule 7 of the Takeovers Code. In view of the above and in order to allow the new authorised representatives and new compliance officer to take up their duties as authorised representatives and compliance officer respectively as soon as possible, Mr. Ng Hung Keung and Ms. Chan Dao Ho have resigned as the authorised representatives of Milkyway Image and Ms. Chan Dao Ho has also resigned as the compliance officer of Milkyway Image with effect from 9 October 2003.

Mr. To has resigned as the chairman of Milkyway Image with effect from 9 October 2003 in order to allocate more time to oversee and supervise film production projects of Milkyway Image and he remains as the executive director of Milkyway Image.

Mr. To, Mr. Ng Hung Keung and Ms. Chan Dao Ho have confirmed that there is no circumstances connected with their resignation which should be brought to the notice of the Stock Exchange and members of Milkyway Image under the GEM Listing Rules.

Mr. Law has been appointed as the chairman, executive director, authorised representative and compliance officer of Milkyway Image. Ms. Teng Chia Lin, Chialina has been appointed as an executive director of Milkyway Image. Mr. Siu Yun Tang, the company secretary and qualified accountant of Milkyway Image, has been appointed as the authorised representative of Milkyway Image. Each of such appointments took effect from 9 October 2003.

Set out below are the brief details of the new executive directors of Milkyway Image:

Mr. Law Sau Yiu, Dennis, aged 40, is currently the managing director of Yu Tai Hing Compnay Limited which is a well-established private property investment and development group in Hong Kong. Mr. Law has 14 years of experience in property investment and development. Mr. Law holds a Bachelor of Arts degree in Communications from Loyola Marymount University of Los Angeles, California in the United States of America.

Ms. Teng Chia Lin, Chialina, aged 38, is practicing dental surgeon. She graduated from Guy's Hospital Medical & Dental School of The United Medical and Dental Schools of Guy's and St. Thomas' (now known as the Guy's, King's and St. Thomas' Schools of Medicine, Biomedical Sciences and the Dental Institute), University of London in the United Kingdom in 1989, with a Bachelor's degree in Dental Surgery. She joined The Prince Philip Dental Hospital in 1990, and then started her own private practice in 1991. Ms. Teng also held directorship in a number of property investment companies. She is the spouse of Mr. Law.

The board (the “Board”) of directors of Milkyway Image wishes to take this opportunity to welcome Mr. Law and Ms. Teng Chia Lin, Chialina to join the Board.

By order of the board of
Right Opportune Limited
Law Sau Yiu, Dennis
Director

By order of the board of
Milkyway Image Holdings Limited
To Kei Fung
Executive Director

Hong Kong, 9 October 2003

The sole director of Right Opportune accepts full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Vendor, Mr. To and Milkyway Image) and confirms, having made all reasonable enquiries, that to the best of his 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 (other than that in relation to the Vendor, Mr. To and Milkyway Image) the omission of which would make any statement in this announcement misleading.

The directors of Milkyway Image jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to Right Opportune) 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 (other than that in relation to Right Opportune) the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for at least 7 days from the date of its posting.

* *For identification purpose only*