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Golden Harvest

ORANGE SKY GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED

橙天嘉禾娛樂(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1132)

CONNECTED TRANSACTION SCREEN ADVERTISING AGREEMENT

The Board is pleased to announce that on 16 December 2013, M Cinemas (an indirect wholly-owned subsidiary of the Company) entered into the Screen Advertising Agreement with PCA in relation to the appointment of M Cinemas by PCA as the exclusive exhibitor of PCA Screen Advertisements for a specific brand and product at the cinemas operated by the Group in Hong Kong for a period of one (1) month from 1 December 2013 to 31 December 2013 (both days inclusive), further to the exhibition of certain advertisements for PCA at the cinemas operated by the Group in Hong Kong, Taiwan and Singapore in May, June and July 2013.

M Cinemas is an indirect wholly-owned subsidiary of the Company. PCA is a company in which 80% equity interest is indirectly owned by Mr. Wu, the chairman and an executive Director and the controlling shareholder of the Company. PCA is therefore a connected person of the Company by virtue of its being an associate of Mr. Wu. Hence, the transaction contemplated under the Screen Advertising Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios under Rule 14.07 of the Listing Rules in respect of the Screen Advertising Agreement are more than 0.1% but less than 5%, the connected transaction contemplated under the Screen Advertising Agreement is subject to the reporting, announcement and annual review requirements but is exempt from independent shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

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* For identification purposes only

2013 (both days inclusive), further to the exhibition of certain advertisements for PCA at the cinemas operated by the Group in Hong Kong, Taiwan and Singapore in May, June and July 2013.

The transaction contemplated under the Screen Advertising Agreement constitutes a connected transaction under the Listing Rules. The principal terms of the Screen Advertising Agreement are as follows:

SCREEN ADVERTISING AGREEMENT

Date: 16 December 2013

Parties: M Cinemas, an indirect wholly-owned subsidiary of the Company.
PCA, a connected person.

Subject matter: PCA shall, during the term of the Screen Advertising Agreement, appoint M Cinemas as the exclusive exhibitor of PCA Screen Advertisements for a specific brand and product in the cinemas operated by the Group in Hong Kong.

Term: For a period of one (1) month commencing from 1 December 2013 to 31 December 2013 (both days inclusive).

Fee and payment terms: PCA shall pay to M Cinemas a net sum equivalent to HK\$6,350,000 on or before 14 January 2014 for the services of M Cinemas under the Screen Advertising Agreement and for the previous exhibition of advertisements for PCA at the cinemas operated by the Group in Hong Kong, Taiwan and Singapore in May, June and July 2013.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SCREEN ADVERTISING AGREEMENT

As part of and to foster the promotional campaign in Hong Kong, Taiwan and Singapore for an existing customer of PCA, the Group and PCA have agreed to enter into the Screen Advertising Agreement for the projection of the screen advertisements of this customer. The transaction contemplated under the Screen Advertising Agreement will further strengthen the existing cooperation between the Group and PCA in the area of screen advertising in cinemas in Hong Kong, Taiwan and Singapore and bring satisfactory income to the Group.

The Board considers that it will be to the benefit of the Group to enter into the Screen Advertising Agreement.

The Directors (including the independent non-executive Directors) are of the view that the Screen Advertising Agreement has been entered into in the ordinary and usual course of business of the Group, is on normal commercial terms and is fair and reasonable and in the interests of the Company and its shareholders as a whole. The Directors (including the independent non-executive Directors) also believe that the Screen Advertising Agreement is fair and reasonable.

INFORMATION REGARDING THE COMPANY, M CINEMAS AND PCA

The Company

The Company is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activities of the Group are in production, financing, distribution and theatrical exhibition of motion pictures. As of 16 December 2013, the Group operates 76 cinemas with 568 screens across the PRC, Hong Kong, Taiwan and Singapore and is a leading distributor in the region.

M Cinemas

M Cinemas is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company.

PCA

PCA is a company incorporated in Hong Kong and 80% of its equity interest is indirectly owned by Mr. Wu, the chairman and an executive Director and the controlling shareholder of the Company. The principal activity of PCA is to provide distribution and agency services for advertisements.

LISTING RULES IMPLICATIONS

PCA is a company in which 80% equity interest is indirectly owned by Mr. Wu, the chairman and an executive Director and the controlling shareholder of the Company. PCA is therefore a connected person of the Company by virtue of being an associate of Mr. Wu. Accordingly, the transaction contemplated under the Screen Advertising Agreement constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the relevant percentage ratios under Rule 14.07 of the Listing Rules in respect of the Screen Advertising Agreement are more than 0.1% but less than 5%, the connected transaction contemplated under the Screen Advertising Agreement is subject to the reporting, announcement and annual review requirements but is exempt from independent shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

Mr. Wu is an executive Director and a controlling shareholder of the Company. Ms. Wu Keyan (also being an executive Director) is the sister of Mr. Wu and therefore an associate of Mr. Wu under Chapter 14A of the Listing Rules. In view of their interests above, Mr. Wu and Ms. Wu Keyan have abstained from voting on the relevant board resolutions for approving the Screen Advertising Agreement. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors (other than Mr. Wu and Ms. Wu Keyan) has material interest in the transaction contemplated under the Screen Advertising Agreement and none of them is required to abstain from voting on the relevant board resolutions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meaning when used herein:

“Board”	The board of Directors.
“Company”	Orange Sky Golden Harvest Entertainment (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange.
“Director(s)”	The director(s) of the Company.
“Group”	The Company together with its subsidiaries.
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC.
“HK\$”	Hong Kong Dollars, the lawful currency in Hong Kong.
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange.
“M Cinemas”	M Cinemas Company Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company.
“Mr. Wu”	Mr. Wu Kebo, chairman, an executive Director and controlling shareholder of the Company and is interested in an aggregate of approximately 60.41% of the total issued share capital of the Company as at the date of this announcement.
“PCA”	Panasia Cinema Advertising Limited, a company established in Hong Kong and 80% of its equity interest owned by Mr. Wu.
“PCA Screen Advertisements”	The advertisements to be screened during the 30-second period prior to the screening of films in the cinemas operated by the Group in Hong Kong for a specific brand and product.

“PRC”	The People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Taiwan and Macao.
“Screen Advertising Agreement”	The screen advertising agreement entered into between M Cinemas and PCA dated 16 December 2013 in connection with the appointment of M Cinemas by PCA as the exclusive projector of the PCA Screen Advertisements for a specific brand and product.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“%”	Percent.

By Order of the Board
**Orange Sky Golden Harvest
Entertainment (Holdings) Limited**
Wong Kwan Lai
Company Secretary

Hong Kong, 16 December 2013

List of all Directors as of the time of issuing this announcement:

Chairman and Executive Director:

Mr. Wu Kebo

Executive Directors:

Mr. Mao Yimin

Mr. Tan Boon Pin Simon

Mr. Li Pei Sen

Ms. Wu Keyan

Independent Non-executive Directors:

Mr. Leung Man Kit

Mr. Huang Shao-Hua George

Ms. Wong Sze Wing