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## **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)**

### **CLARIFICATION ANNOUNCEMENT**

Reference is made to the press article (the “**Article**”) appearing on Apple Daily dated 14 May 2010.

The board of directors (the “**Board**”) of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the “**Company**”) and its subsidiaries, the “**Group**”) wishes to clarify certain matters as reported in the Article regarding the alleged recent terminations of the lease agreements of the Group in relation to the properties in Shenzhen, Hangzhou and Beijing of the PRC by the landlords.

The Board has reviewed the Article and would like to clarify the following matters:

1. Alleged non-compliance of the requirements about the 2nd stage in respect of the property situated in the MIXC, Shenzhen, the PRC (the “**MIXC Property**”)

The Company considers that the Group has maintained a good relationship with the landlord, China Resources (Shenzhen) Limited (華潤(深圳)有限公司), and the Company clarifies and confirms the Group has never received any notification of termination of the lease agreements in relation to the MIXC Property (the “**MIXC Lease Agreements**”) from the landlord nor the Group has instigated any legal proceedings against the landlord for the breach of the MIXC Lease Agreements.

2. The lease agreement in relation to the property situated in Wukesong (五棵松), Beijing, the PRC (the “**Beijing Lease Agreement**”)

The Company clarifies and confirms that the termination of the Beijing Lease Agreement was due to the breach of the lease agreement by the landlord, which happened in March 2009. A subsidiary of the Group instigated litigation proceedings and claimed for damages against the landlord. The subsidiary reached an agreement with the landlord and had received compensation from the landlord in February 2010 in respect of the

\* For identification purpose only

settlement. Such information has been disclosed in the notes 35 to the audited financial statement of the Group for the 18 months ended 31 December 2009, which was attached to the Group's 2009 Annual Report.

The Company further clarifies and confirms that such termination was not due to any alleged non-compliance with the requirements about the 2nd stage in respect of the MIXC Property by the Group.

3. The lease agreement in relation to the property situated in CR The Mixc, Hangzhou, the PRC (the "**Hangzhou Lease Agreement**")

A subsidiary of the Group has instigated legal proceedings against the landlord for unlawful unilateral termination of the Hangzhou Lease Agreement and the proceedings are still in progress. Accordingly, details of the proceedings will be disclosed after the judgement has been made.

On behalf of the Board  
**Yuen Kwok On**  
*Company Secretary*

Hong Kong, 14 May 2010

List of all directors of the Company as of the time issuing this announcement:–

*Chairman and Executive Director:*

Mr. Wu Kebo

*Executive Directors:*

Mr. Chang Tat Joel

Ms. Chow Sau Fong Fiona

Mr. Li Pei Sen

Ms. Wu Keyan (alternate to Mr. Wu Kebo)

*Independent Non-executive Directors:*

Mr. Leung Man Kit

Mr. Huang Shao-Hua George

Ms. Wong Sze Wing