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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)**

Orange Sky Golden Harvest Entertainment (Holdings) Limited (“OSGH” or the “Company”, together with its subsidiaries, the “Group”) wishes to provide an update of the business and financial information of the Group with the objective of enabling our shareholders and potential investors to appraise the Group’s development.

This announcement is made pursuant to Rule 13.09 of the Rules governing the Listing of securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

### **UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

	For the nine month ended 30 September		Changes	
	2010 HK\$ million ( <i>unaudited</i> )	2009 HK\$ million ( <i>unaudited</i> )	HK\$ million	%
Revenue**	<b>844</b>	600	+244	+41%
Gross profit**	<b>486</b>	345	+141	+41%
Profit from operations	<b>61</b>	29	+32	+110%
Profit attributable to shareholders	<b>39</b>	19	+20	+105%
Basic earnings per share	<b>1.58 cents</b>	1.04 cents		

\*\* Revenue and gross profit include other income

\* For identification purposes only

	<b>As at 30 September 2010</b>	As at 30 September 2009
Cash on hand	<b>519</b>	385
Bank loans	<b>91</b>	86

- Revenue increased by 41% to HK\$844 million
- Gross profit grew from HK\$345 million to HK\$486 million
- Profit from operations boosted to HK\$61 million, representing a 110% increase
- Cinema admissions we served on a full and aggregated basis was close to 18.3 million (Hong Kong, Mainland China, Taiwan and Singapore as a whole)

For the nine months ended 30 September 2010, the Group's revenue totaled HK\$844 million, representing an increase of 41% comparing to the same period of last year. This is partly attributable to the Group's rapid expansion, and partly to the release of premium-priced 3D movies. Profit attributable to shareholders for the nine months ended 30 September 2010 increased by 105% to HK\$39 million comparing with the same period of last year. This includes a sum of HK\$26.5 million (net of related expense) received from settlement of legal dispute on a lease agreement and provision of consultancy service in relation to a cinema site in Beijing recorded as other income and corresponding tax expense of HK\$5.2 million.

As of 30 September 2010, the Group's cinema portfolio expanded to 234 screens from 181 screens a year ago. During the nine months ended 30 September 2010, the Group's 30 cinemas' gross box office income, on a full and aggregated basis, was registered at HK\$994 million (nine months ended 30 September 2009: HK\$732 million). In Mainland China, the Group's gross box office income increased by 151% to RMB98 million for the nine months ended 30 September 2010 from RMB39 million for the nine months ended 30 September 2009.

## **OSGH CINEMA PORTFOLIO**

	<b>As of 30 September 2010</b>		As of 30 September 2009	
	<b>Number of sites</b>	<b>Number of screens</b>	Number of sites	Number of screens
Mainland China	<b>6</b>	<b>43</b>	1	7
Hong Kong	<b>7</b>	<b>33</b>	5	24
Taiwan	<b>8</b>	<b>85</b>	7	77
Singapore	<b>9</b>	<b>73</b>	9	73
Total	<b>30</b>	<b>234</b>	22	181

As of 30 September 2010, OSGH's cash on hand decreased by HK\$280 million to HK\$519 million from 30 June 2010. This is largely because of the strategic acquisition of a 3.33% equity interest in Legend Pictures, LLC ("Legendary") for a cash consideration of US\$25 million. The Company has also signed a non-binding Memorandum of Understanding ("MOU") with Legendary, pursuant to which the two parties intend to explore the possibility of engaging in strategic opportunities with respect to the co-production of local language motion pictures intended for theatrical exhibition in Mainland China (subject to the approvals of applicable Chinese authorities), the development of online, mobile and video games, and the Company's theatrical distribution in Mainland China, provided that each of the foregoing is subject to any applicable approval and consent rights of Legendary's co-production, co-financing and other partners and third parties owning or controlling rights in such motion pictures, games and other properties.

The Group continues seeking rapid expansion in Mainland China, and by end 2010, the Group expects to operate 16 cinemas with 114 screens (including existing cinemas, unless otherwise stated) in Mainland China based on lease agreements signed as of 1 November 2010, and will further expand to 24 cinemas with 177 screens by end of first quarter of 2011. It is reminded that the number may vary slightly due to the actual handover date, the progress of internal decoration and application of relevant license. As of 1 November 2010, the Group has signed lease agreements to operate 344 screens in Mainland China in aggregate, and is confident of achieving its target of 600 operating screens by 2012. The Group will finance such expansion with internal resources and bank borrowings.

The shareholders and potential investors should note that the figures contained herein are unaudited. The Company's shareholders and potential investors should exercise caution in dealing in the securities of OSGH and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

Save as disclosed herein, the Board is not aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

By Order of the Board  
**Orange Sky Golden Harvest Entertainment (Holdings) Limited**  
**Yuen Kwok On**  
*Company Secretary*

Hong Kong, 1 November 2010

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

*Chairman and Executive Director:*  
Mr. Wu Kebo

*Executive Directors:*  
Mr. Chang Tat Joel  
Mr. Tan Poon 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